

RTS GROUP, ROLLING TRANSPORT SYSTEMS (OVERSEAS) LTD, MAIFUKU LTD, SERVING SHIPS PORTS INDUSTRY

here are no finer springs than Springs by Riley, Robert Riley Ltd, Rochdale, Tel: 44581

NEWS SUMMARY

GENERAL: Britain reserves nuclear options, Equities fall 9.6; gilts weaker

Equities fell through a lack of interest and mid-account profit-taking. The FT 30-share index closed 9.6 down at 467.8.

STERLING fell 7 points in quiet trading to close at 1.779-1. Its trade-weighted depreciation was unchanged at 61.8.

DOLLAR premium fell 112.2 per cent. before rallying to 113.1.

GOLD rose \$4 to \$147.147. WALL STREET fell 2.85 to 838.45.

MONEY supply made its first significant increase last month. The money stock rose 0.2 per cent. to £120,000 million.

UNEMPLOYMENT in France increased during April by 3.6 per cent. to 10.8 per cent. on a seasonally adjusted basis.

CONSUMER SPENDING during the first quarter of this year was lower than estimated. It was 0.5 per cent. below the level of the final quarter of 1976.

BANK of England has again indicated its desire for continued moderation in the fall in interest rates.

Varley calls probe into Leyland bribe allegations

BY TERRY DODSWORTH, Motor Industry Correspondent

Mr. Eric Varley, the Industry Secretary, ordered an immediate inquiry yesterday into allegations that British Leyland was using bribery and other dubious business methods to win overseas orders.

Rowland joins Goldsmith in bid for Beaverbrook

MR. TINY ROWLAND, head of Lorrain, has joined Sir James Goldsmith in his attempt to gain control of the Beaverbrook newspaper empire.

Ulster swings to the moderates

CLEAR INDICATIONS of a longer battle to survive as a major shift of opinion in Ulster toward moderate parties had become apparent last night.

Cup Final ruling: BBC appeals

By Christian Tyler, Labour Correspondent

THE BBC yesterday lost the first round of its court battle to compel its camera crews, members of the Association of Broadcasting Staffs, to cover tomorrow's FA Cup Final at Wembley.

Rowland joins Goldsmith in bid for Beaverbrook

Two camps

Ulster swings to the moderates

Ulster swings to the moderates

Ulster swings to the moderates

Labour 'no' to Israel coalition

BY RICHARD JOHNS, TEL AVIV, May 19.

MR. SHIMON PERES, leader of the Israeli Labour Party, yesterday rejected the possibility of joining a Government of national unity, if invited to do so by the Right-wing Likud bloc, which emerged from Tuesday's General Election as the major party in the new Knesset (Parliament).

Rowland joins Goldsmith in bid for Beaverbrook

Two camps

Ulster swings to the moderates

Ulster swings to the moderates

Ulster swings to the moderates

Table with columns for various financial indicators and their values.

Table with columns for various news items and their page numbers.

WE'RE VERY MUCH AT HOME IN AN ENGLISH COUNTRY GARDEN, Knight Frank & Rutley advertisement.

BY RAY DAFTER and KEVIN DONE

LOMBARD

Crime of the Commissioner

BY SAMUEL BRITTON

MR. CHRISTOPHER TUENDEL, formerly Conservative Member for the City of London and Westminster, now the second British member of the European Commission...

Loyalty

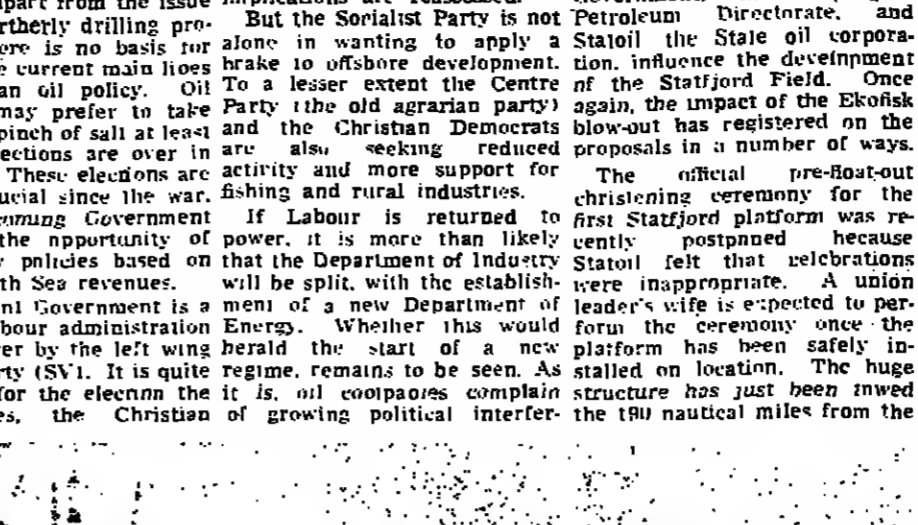
Almost anywhere else Mr. Tugendhat's proposals would have been greeted as obvious truth and the one criticism would have been that he did not go further...

NORTH SEA OIL REVIEW: NORWAY

Reverberations of Ekofisk

now he postponed while the political and environmental implications are assessed. But the Socialist Party is not alone in wanting to apply a brake to offshore development.

from the Trench, the rugged seabottom of the Norwegian coast could present an obstacle. Statoil, one of the few in the world...



The central producing complex of the Phillips Group's Ekofisk Field.

F.T. CROSSWORD PUZZLE No. 3385

Crossword puzzle grid with numbered squares and clues for across and down words.

Saleroom

THE MENTMORÉ auctions started yesterday after the first day's session with further disposals of French furniture...

Post Office to offer new Jubilee phones

THE POST OFFICE is to join the Silver Jubilee celebrations with a souvenir telephone in Balmoral Blue—a cross between Royal and navy blue...

SOLUTION TO PUZZLE No. 3384

Solution to the crossword puzzle No. 3384, showing the filled-in grid with words highlighted.

Lester Piggott for a double

IT IS COMPARATIVELY rare these days for Lester Piggott to score a double, but he will be at Newmarket this afternoon and tomorrow...



fisk

Magical eyes and desires by GEOFF BROWN

the wondrous eyes of the virgins gathered up for her pleasure by Countess Elizabeth Bathory in the third episode...



A scene from Borowczyk's 'Immoral Tales'

Like any episode film, some parts are stronger than others. Certainly the last is the weakest, partly because the narrative follows the most conventional pattern with its rapid survey of rum doings in Rome...

Freud's study in Vienna. There then follows a series of frighteningly routine adventures, spiced over, the film itself soon decelerates to a slow crawl...

The Spanish Solution is the only other film of the week conceived on the same kind of grand, dotty scale. Ken Adam's innumerable and lavish sets ensure that one's eye is constantly seduced...

Carquaque! Paul Bartel's follow-up to his highly successful Death Race 2000, is another dull disappointment. The material is much the same: a transcontinental car race...

Academy

Strong start to the Season by WILLIAM PACKER

Royal Academy does many things every year to 'promote art of design' in this (for which purpose it is indeed founded), so much work has become a common-places of its critics...

Davey in Gallery X for example; but, for the rest, we have solid, worthy and mostly unremarkable figures, still life and landscape painting...



Leonard Burt

which is generally recanted, but admitted to be necessary (and which is very little by dealers' standards) and two prizes have been instituted...

I do not mean to disparage the quality of the work shown. Excellence in any field at any time is strictly rationed. Much of the work is admirably straight-forward, modest, and well done...

Wigmore Hall

Erich Gruenberg by ARTHUR JACOBS

Rare are recitals for unaccompanied viollo, and much rarer those which announce a programme solely of 20th century music. Erich Gruenberg's choice on Wednesday almost inevitably included Bartok's sonata...

After Ysaye and Reizenstein I began to suspect, however, that the playing lacked a certain necessary rhetoric... Surely that pivotal note before the coda of Reizenstein's finale should keep us on edge until a calculated plunge? But it became clear that Mr. Gruenberg had chosen to play Reizenstein's sonata with a kind of classical restraint...

McAlister in, Freeman out

Two personnel changes of importance to the British Film Institute have been announced. Bill McAlister will next become chairman of the ICA, the BFI only since last October...

The Entertainment Guide is on Page 8

Frank and Debussy lived till as late as 1931. Was the programme worth while—a reward, not a trial, despite the limitations of the medium? Emphatically yes. Formerly one of the most distinguished of orchestra leaders, Mr. Gruenberg commands a splendid armoury as a soloist...

Theatre Upstairs For the West

by B. A. YOUNG

President Idi Amin, in a grand arm men have worked more performance by Rudolph Walker, effectively on him, and he is easily persuaded to sign a document to the effect that he is the representative of the exiled Asians...

And indeed everyone plays fair until the last moment. Then the Pakistani pulls a pistol from his briefcase and the Amin regime comes to a sudden end. It is therefore unexpected to find that the Field Marshal is still in power when the second act begins...

Moreover a harmless traveller for a fruit-machine agency named Isaid dem Ala-Messid Jalli has also been arrested. The strong-

Advertisement for Gulf Air FiveStar TriStar. Includes text: 'It's only natural... that you want the most luxurious airliner in the world when flying to the Gulf'. Features a table of flight schedules and a picture of a Gulf Air aircraft.

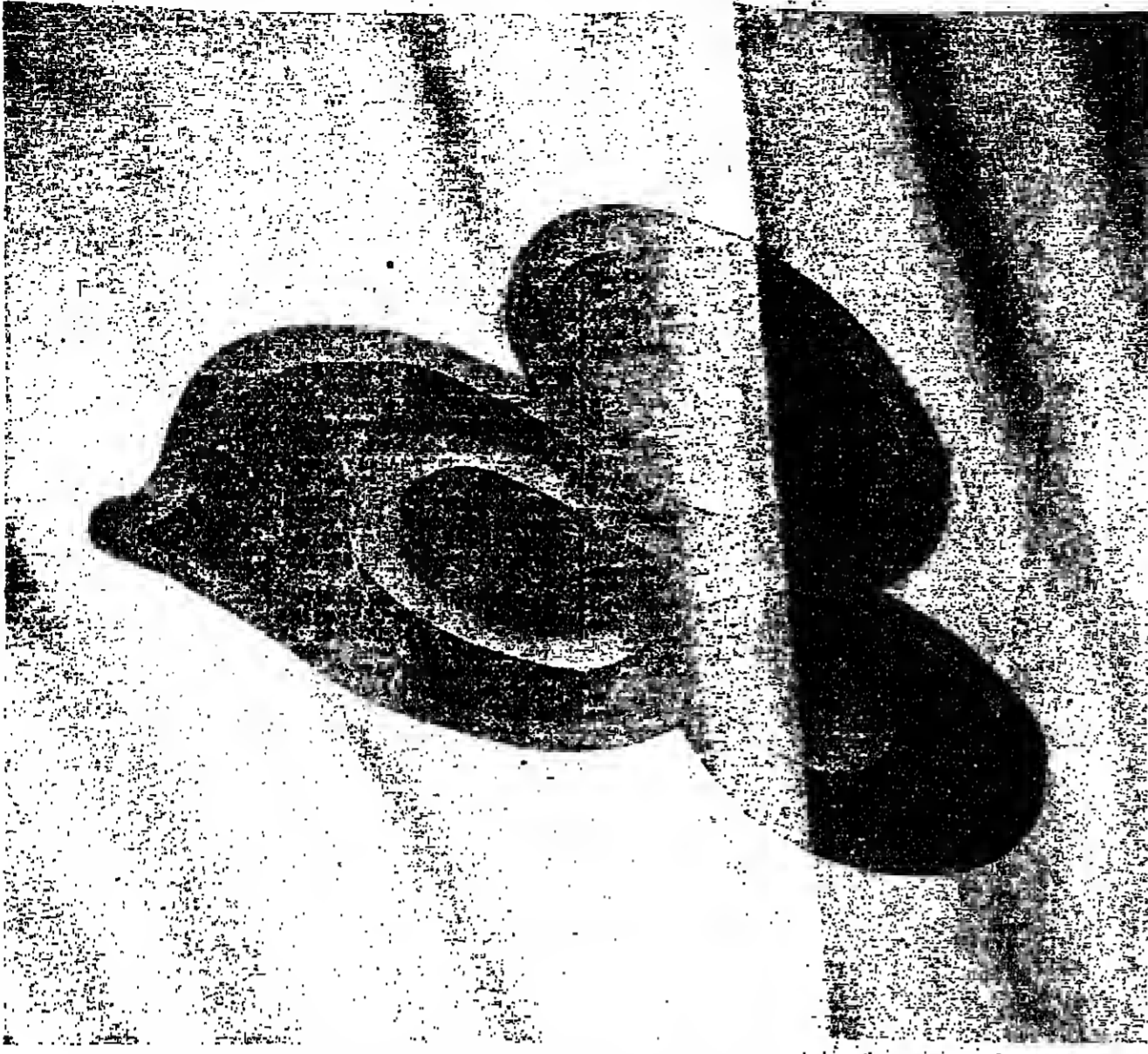
reach days... double

ler's Wells Theatre

Tintomara by PAUL GRIFFITHS

There must be something with an opera, even an Swedish, which has half a century of success behind it. It is the first act before thing themselves to the truth. Lars Johan Tintomara is not an see to understand. Nor try to understand why the dance puzzling over the scene, when Werle has raised both for shaping undations of opera as and for not being avani. There would indeed have c been quite a stir for a opera to reach this brought by the visiting burg company within ary of its first production.

Smooth as silk
to 27 cities across three continents.



At Thai we're not sure what it is that's giving us a reputation as one of the smoothest airlines in the world.

Maybe it's our beautiful, wide-bodied DC10's with their exotic colours of purple and gold. Maybe it's our beautiful, slim-bodied hostesses in their glamorous Thai silk outfits. Maybe it's our Royal

Orchid service which includes free drinks, delicious meals and a fresh orchid for every lady passenger. Maybe it's our extensive routes. That serve more countries in the Orient than any other airline, and take us all the way from Australia to seven major cities in Europe. Maybe

*On Overseas routes.

it's simply how far we go out of our way to look after people.

Whatever it is, if you combine Thai's reputation for smoothness with Thailand's reputation for silk, it's little wonder we're becoming known as the airline that's 'Smooth as silk.'

Thai
Smooth as silk.

EUROPEAN NEWS

W. German steel orders decline sharply

By Guy Hawtin

FRANKFURT, May 19. THE IMPROVEMENT in the West German steel industry's performance has proved short-lived. After a hefty rise in March, April's order figures for rolled steel finished products against declined sharply.

Things were better than in November last year when bookings were at their lowest since 1970 but, even though April's orders were 140,000 tonnes—7.5 per cent—up on April, 1976, it is clear that recovery is still a long way off.

Statistics published by West Germany's Iron and Steel Industry Association show that orders for rolled steel finished products last month totalled just under 1.88m. tonnes—14.3 per cent below March's 2.19m. tonnes. The figures do not include orders for special steels, hot-rolled broad strip and semi-finished products.

Depressed

The largest decline in orders, according to the association's report, came from EEC customers, whose bookings fell by 27.2 per cent from March's 279,000 tonnes to only 203,000 tonnes. In March, EEC bookings rose by over 50 per cent, but even then orders were still severely depressed.

Orders from countries outside the EEC—up 23.2 per cent in March—fell by 23.6 per cent from 521,000 tonnes to 398,000 tonnes. On the domestic market orders rose by 23.2 per cent in March. April's figures show a 8.1 per cent drop from 1.89m. tonnes to 1.77m. tonnes.

Average bookings for the three months from February to April remain similar to those last year when the industry was moving into the trough of the recession. Deliveries, however, were well below last year's level.

EEC AND LATIN AMERICA

Breaking the silence

BY HUGH O'SHAUGHNESSY

NEXT WEEK in Brussels will see a new attempt by the countries of Latin America to work out a less sporadic and more coherent relationship with the EEC than they have had up to now.

Mr. Jaime Moncayo, executive secretary of the Latin American Economic System (SELA), is to visit Herr Wilhelm Haferkamp, the Community's Commissioner for External Affairs, and his colleagues, in an attempt to sketch out some sort of consultative machinery which would allow the two sides to talk to each other on a regular basis. The exchanges so far might be described as a number of Latin screams, snatches of muttering from the Europeans, and long periods of silence. In 1970 in Buenos Aires the Special Latin American Co-ordinating Commission (CECLA) met at the invitation of the Brazilians and the Chileans and called for a dialogue with the EEC.

Partially as a result of this call by CECLA—a body which has now sunk into virtual oblivion—it was decided that the Latin American ambassadors in Brussels would have periodic meetings with Community representatives.

These meetings have been taking place but the absence of a coherent Latin American negotiating position and the low level of personalities involved has meant that they have been less than fruitful. The general sterility of the dialogue has not been helped by the fact that some members of the Community, most notably France, have wanted contacts to be purely at the bilateral level, with the Community as such not being involved.

This is still the case. But now the Latin Americans, increasingly concerned at the drift in their relationship with the EEC, are becoming eager for a more effective form of contact with Europe.

Traditionally, Latin America ran a healthy trade surplus with Europe, as it tended to sell the Europeans large quantities of raw materials while buying much of their own requirement of industrial products from the U.S. country with which they usually ran a trade deficit.

During the 1970's however this pattern has been going awry. In 1974, for the first time in many years, Latin America ran a trade deficit with the EEC. The following year, this deficit increased from \$300m. to \$1.14bn. (The EEC accounts for about 20 per cent of the region's \$2.5bn. a year of foreign trade.) Latin Americans tend to attribute this deficit largely to the operation of the Common Agricultural Policy, which not only cuts imports of Latin American tropical farm products such as cereals and beef, but also encourages European farmers to compete with Latin American farmers in world markets.

At the same time the Latin Americans have seen the competitive position of their exports to the EEC being whittled away by the preferences the Community has been giving to its

former colonies under the Lomé agreement with the countries of Africa, the Caribbean and the Pacific, and also to its associates in the Mediterranean basin.

This has hit more especially Latin American producers of tropical products. At the same time the Latin Americans say they can place little reliance on the Community's Generalised System of Preferences as it is always likely to be reclassified for one product or the other at the last minute.

Latin American resolve to seek some remedy for their complaints became stronger in March when the committee of high-level Government experts convened in

Brussels next week will produce any softening in attitudes or greater disposition by either side to understand the other's point of view remains to be seen. It will take a great deal of pressure from within and without the Community for a more coherent policy towards Latin America to be brought to birth, particularly in the light of France's continuing dislike of the idea.

Mr. Moncayo is likely to be hammering hard the point that Latin America is one of the most important areas of the world to invest in by European—multinationals, and that this alone demands that the two regions have a closer working relationship.

The Community representatives for their part will be pressing the Latin Americans to moderate their attacks on EEC trade policies, and to realise the relatively liberal the Community is in regard to imports from Latin America. At least compared to the countries of East Europe who savagely restrict purchases of the region's tropical products.

CECLA embraces all 16 countries of Latin America, it also has as full members the EEC countries, Britain, France and the Netherlands.

The temperature, it must be said, was found to be at tepid and at times positive frigid. The Community's willingness to adopt any constructive attitude towards Latin America is at the level of EEC representatives at the meeting, and is extremely low profile they adopt.

Mr. Peter Mennell, British High Commissioner in Santo Domingo, speaking for the Community on the future of European-Latin American relations.

SELA is a grouping of the countries of Latin America formed recently to deal with the macro-economic problems facing the region as a whole. It has the strong support of the Venezuelan and Mexican Governments.

In particular, and its president, Sr. Moncayo, is an Ecuadorian technocrat with long experience in Government.

SELA's brief, as set out in Santo Domingo, was to enable Latin America "to negotiate and act in a united manner and to show itself disposed, when necessary, to carry out concrete actions which would allow the total of its purchases from the EEC to be balanced with that of the sales that it could make to it."

An opportunity of testing the temperature of Latin American-European relations came at the beginning of this month at the Ministerial meeting of the UN Economic Commission for Latin America (CECLA) held in Guatemala City. Sr. Moncayo was seen to be doing any favour to government like those in Chile or Argentina.



Herr Wilhelm Haferkamp

Santo Domingo by the UN to consider the region's international development strategy said that SELA should seek to start a real political debate with the Community on the future of European-Latin American relations.

SELA is a grouping of the countries of Latin America formed recently to deal with the macro-economic problems facing the region as a whole. It has the strong support of the Venezuelan and Mexican Governments.

In particular, and its president, Sr. Moncayo, is an Ecuadorian technocrat with long experience in Government.

SELA's brief, as set out in Santo Domingo, was to enable Latin America "to negotiate and act in a united manner and to show itself disposed, when necessary, to carry out concrete actions which would allow the total of its purchases from the EEC to be balanced with that of the sales that it could make to it."

An opportunity of testing the temperature of Latin American-European relations came at the beginning of this month at the Ministerial meeting of the UN Economic Commission for Latin America (CECLA) held in Guatemala City. Sr. Moncayo was seen to be doing any favour to government like those in Chile or Argentina.

Liquidation threat to Danish paper

BY HILARY BARNES

COPENHAGEN, May 19

MAKE-OR-BREAK negotiations on the future of Denmark's leading newspaper publishing house will continue tomorrow after a week of inconclusive bargaining. The latest round of talks between management and printing unions at Berlingske Tidende ended at 2 a.m. this morning with neither side willing to comment on progress.

The group, which publishes the country's leading morning newspaper as well as a popular tabloid, a weekly newspaper and several magazines, has been hit by a strike of printing and technical staff since January 30. The conflict is over management demands for a reduction of about 300 in the 1,000-strong printing and technical labour force.

When negotiations resumed at the beginning of this week, the chairman of the Berlingske Board, Mr. J. C. Thygesen, said this was the last chance and a solution had to be found quickly.

Mr. Henning Fossmark, the editor-in-chief, said that whatever happened, Berlingske Tidende would be printed again with or without the help of union printers. But there is also widespread speculation that if negotiations break down definitively, there may be a voluntary liquidation followed by a reorganisation of the group.

The Economic Advisory Council has forecast that Denmark's balance of payments deficit will not decrease this year. The deficit last year was Kr.11.5bn, about 4.5 per cent of gross domestic product. The Government has forecast a reduction this year to Kr.8.5bn, and the Finance Minister, Mr. Knud Heinesen, said recently that if the deficit appeared likely to exceed this figure, an adjustment of economic policy might be necessary.

The council forecasts a 1.5

per cent increase in GDP and says that unemployment, which was 7.4 per cent of the labour force in March, will continue to rise from an average of 139,000 last year to 166,000 in 1978 or about 6 per cent to about 7.5 per cent.

The first quarter of the balance of payments deficit was Kr.3.1bn, according to Ce Bank current transaction is This is a slight improvement on last year when the deficit was 3.5bn.

par cent increase in GDP and says that unemployment, which was 7.4 per cent of the labour force in March, will continue to rise from an average of 139,000 last year to 166,000 in 1978 or about 6 per cent to about 7.5 per cent.

The first quarter of the balance of payments deficit was Kr.3.1bn, according to Ce Bank current transaction is This is a slight improvement on last year when the deficit was 3.5bn.

par cent increase in GDP and says that unemployment, which was 7.4 per cent of the labour force in March, will continue to rise from an average of 139,000 last year to 166,000 in 1978 or about 6 per cent to about 7.5 per cent.

The first quarter of the balance of payments deficit was Kr.3.1bn, according to Ce Bank current transaction is This is a slight improvement on last year when the deficit was 3.5bn.

par cent increase in GDP and says that unemployment, which was 7.4 per cent of the labour force in March, will continue to rise from an average of 139,000 last year to 166,000 in 1978 or about 6 per cent to about 7.5 per cent.

Abecor: Europe's biggest bankers offer you a complete international banking service.

The skill and experience of seven major European banks which form Abecor, the Associated Banks of Europe Corporation, combine to make this Europe's leading international banking group, just as much as the combined assets of almost 200 billion dollars. Barclays is the Abecor bank in Britain.

Complete Abecor banks can provide you with a complete international banking service, ranging from economic intelligence and financial advice to the provision of every kind of credit and loan.

International Abecor has branches, representative offices and associates in 118 countries across 5 continents. What could be

more international than that? Abecor members are also represented in the Banque de la Société Financière Européenne and the Euro-Latin-american Bank and other major financial institutions.

Service Service is not just the provision of facilities, it's an attitude of mind as well. Abecor's attitude is that everything should be as simple and swift as possible. Whatever you want from Abecor, you usually need to contact only one man. In the U.K. that man is Mr. B. Bartlett, International Division, Barclays Bank International, 168 Fenchurch Street, London EC3P 5HP. Telephone 01-283 8989. In other countries, contact your own national Abecor Bank.

The Abecor Banks
Algemene Bank Nederland
Banca Nazionale del Lavoro
Banque Bruxelles Lambert
Banque National de Paris
Barclays Bank
Bayerische Hypotheken-und Wechsel-Bank
Dresdner Bank
Associated Members
Banque Internationale à Luxembourg
Österreichische Länderbank
Special Associated Member
Banque de la Société Financière Européenne



Barclays is the Abecor Bank in Britain.

legrand
ELECTRICAL FITTINGS.

Distribution of bonus shares: one bonus share for every five shares held

During the meeting held on April 8, 1977, the Board of Directors of LEGRAND closed the accounts for the financial year 1976

Consolidated Accounts (1)

The final turnover (pre-tax) totalled Frs.927.7 million compared with Frs.878.8 million the preceding year, an increase of 5.6%.

The cash flow amounted to Frs.99.4 million compared with Frs.72.4 million in 1976, an increase of 37%.

Net profits after tax totalled Frs.47.7 million compared with Frs.26.4 million, an increase of 80%.

Sales abroad increased by 43.6% to Frs.170 million compared with Frs.118.4 million in 1976.

Parent company Legrand

Pre-tax turnover: Frs.74.9 million compared with Frs.51 million, an increase of 47%.

Cash flow: Frs. 82.3 million compared with Frs. 56.5 million in 1976, an increase of 46%.

Net profits, after allowing Frs.47.4 million for tax on profits, Frs.36.4 million compared with Frs.16.3 million the previous year, an increase of 123%.

The Board also decided:

- to call the Annual General Meeting on June 24, 1977;
- to propose the distribution of a dividend of Frs.21.50 per share, an increase of 6.5% over the preceding year, making a total dividend of Frs.31.95 which will be paid on July 8, 1977. This dividend will be paid on shares increased by 10% following the distribution in 1976 of bonus shares for every ten shares held;
- to incorporate in the capital part of the merger agreement thus giving to the shareholders a new bonus share for every five shares held as from January 1, 1977, for every five shares held.

For the first quarter of 1977, pre-tax sales of LEGRAND represented Frs.233 million, an increase of 24% on the comparable basis.

(1) Not including the Iranian and Swiss subsidiaries and Austrian shareholding.

Handwritten scribble at the bottom of the page.

Copy 1550

Italy-Libya deal 'worth billions' in jeopardy

By PAUL BETTS

LIBYAN Prime Minister, Sig. Andreotti is scheduled to pay a broad agreement with ENI, which found itself last February at the centre of the long-standing row between Tunisia and Libya over the demarcation of the continental shelf bordering the two countries. This area is reported to have rich oil deposits.

ENI decided to pull out the rig and the 70 Italians working there after Tunisia sent a frigate to the disputed zone ordering the Italians to stop all drilling activities.

Mr. Jalloud decided to comment to-day on reports that the U.S. blocking the sale to Libya of a C-222 transport aircraft assembled by the Italian Aeritalia concern. The engines are assembled under General Electric licence and Washington has the right to veto overseas sales.

● A second and possibly decisive round of all-party negotiations on the formation of a new Italian Government opens tomorrow involving top-level terms from the ruling Christian Democrats (DC) and the Communist Party, writes Dominick J. Coyle.

The DC delegation will subsequently meet the Socialists and leaders of smaller political parties.

This follows detailed negotiations between technical experts of the various parties to see if broad agreement can be reached on a new legislative programme. Specifically, this could cover medium-term economic policy, the deteriorating law and order situation, the virtual bankruptcy of most local authorities and the urgent need to reform education.

ROME, May 19.

French jobless up 3.6% in March

By Robert Mauthner

PARIS, May 19. — UNEMPLOYMENT continues to be the French economy's Achilles heel and is still rising on a seasonally adjusted basis in spite of a modest increase in industrial production.

The latest official figures show that, while crude unemployment went down marginally in April to 990,900 from 1,022,000 in March, seasonally adjusted unemployment rose by 3.6 per cent to 1,039,000 from 1,002,000, the previous month.

Over the last 12 months the number of workless, both on a crude and adjusted basis, has risen by more than 200,000, an increase of some 11 per cent, while the number of jobs on offer has fallen by 26,000, a drop of as much as 20 per cent.

Even if the more favourable crude figures are taken as the more valid indicator of trends, there has been a deterioration on a year-on-year basis. The normal reduction in the number of workless in the early spring was much smaller this year than last, when unemployment went down by nearly 12 per cent, from January to April.

There is now little prospect of a significant improvement in the labour market before the summer holidays, since the latest incentives offered by the Government to employers who hire young workers will probably not make themselves felt for some months.

Paradoxically, the Government's measures probably contributed to a fall in the number of job offers in April, since employers have tended to postpone the hiring of new workers for some weeks in order to benefit from the financial incentives provided by Prime Minister Raymond Barre's plan to fight unemployment.

PARIS, May 19.

Political stability in EEC rests on CAP, says Ertl

By JONATHAN CARR

BONN, May 19.

THE WEST GERMAN farm minister, Herr Josef Ertl, has strongly defended the Common Agricultural Policy (CAP) and warned that its collapse could change the political landscape of Western Europe.

In an outspoken television interview Herr Ertl, visibly irritated, attacked discussion of CAP emphasizing cost and surplus of this product or that but playing down wider political issues.

His comments were the more noteworthy for their public criticism of a line of argument often heard at the Bonn Finance Ministry and Chancellery. They follow remarks by the European Commissioner for Budget, Mr. Christopher Tugendhat, suggesting that the EEC farm ministers took "an irresponsible attitude towards the table. Do you think you can simplify things by throwing the southern Italian wine growers into the Adriatic to feed the sharks?"

Under the CAP, German payments contribute towards the Community's internal political stability, he said. Externally, too, Europe has taken on agricultural burdens for well-founded political reasons—imports of butter from New Zealand and sugar from the ACP (African, Caribbean and Pacific) states.

Efforts are being made to make the CAP more efficient but attempts to change it fundamentally could lead to its collapse, erection of new trade barriers, loss of jobs and serious political repercussions.

Basque separatists sought after policeman is shot

By ROGER MATTHEWS

MADRID, May 19.

BASQUES who are approaching the official start of the 24th election campaign on May 24 are being hunted by the Spanish police after a policeman was murdered last night in San Sebastian.

Prime Minister Adolfo Suarez conferred with Interior Minister Martin Villa today over the situation in the Basque province during recent clashes in Vizcaya, and a threat of further disturbances next week if the demonstrators.

Groups government declines to release armed civilians stormed into the town, after the killing was thought to be the revenge for the deaths of five people during recent clashes in Vizcaya, and a threat of further disturbances next week if the demonstrators.

Groups government declines to release armed civilians stormed into the town, after the killing was thought to be the revenge for the deaths of five people during recent clashes in Vizcaya, and a threat of further disturbances next week if the demonstrators.

Bonn aims to curb coastal states at sea conference

By ADRIAN DICKS

HAMBURG, May 19.

FAIR ACCESS to fish and deep sea mineral reserves for all nations, and a corresponding limitation of the rights of coastal states, will be the broad objectives pursued by West Germany during the next session of the United Nations Law of the Sea Conference, which opens in New York next Monday.

Bonn is not expected to put forward any new proposals of its own to the UN conference, but at a symposium organised here by the Hamburg Chamber of Commerce, the leader of the West German delegation, Ambassador Karl Knoke, warned against the deteriorating situation in fisheries and of the danger of "protectionism" in other aspects of international use of the sea's resources.

On fisheries, the German position reflects continuing anger at the British and Irish Governments' plans to set exclusive 50-mile zones. Despite pressure from its own hard-pressed fishing industry, however, the West German Government is reluctant to take any similar action which might lend legitimacy to what it sees as unwarranted claims by London and Dublin.

Of greater concern to West Germany is the danger it sees of growing protectionism by coastal states. This reflects increasing doubts about the chances of reaching a new fishery agreement with Iceland when the present one runs out in November, and also the realisation that few other distant waters are likely to become available to the modern, deep-sea German fishing fleet except at the cost of what the industry sees as unequal agreements.

There is some hope, on the other hand, of progress in New York towards an Antarctic fishery treaty, which Bonn is ready to sign.

Polish police arrest more dissidents

By CHRISTOPHER BOBINSKI

WARSAW, May 19.

USE SEARCHES and detentions of Workers Defence Committee (WDC) activists continued today as the Polish authorities tried to hamper preparations for a new attempt to see the Polish people so far arrested to a public appeal yesterday, they said that the releases were necessary to maintain social peace and avoid events which no one can foresee or control.

Talks with Church authorities are being held today about a memorial Mass for the dead Cracow student scheduled for tomorrow evening in Warsaw.

EEC lags in 5-year plan

By ROBIN REEVES

BRUSSELS, May 19.

THE EEC has made little progress towards the economic growth, stability and employment targets established at last year's Tripartite Conference of EEC Governments, trade unions and management, according to the Brussels Commission.

In a discussion paper just issued here, the Commission admits that although a quick recovery could not have been expected, achievements over the past year have been less than hoped for at the time of the last Tripartite in June, 1976.

The goals set them were:

- A return to full employment by 1980.
- A gradual reduction of the rate of inflation to approximately 4 to 5 per cent by 1980.
- An average annual growth rate of GNP of about 5 per cent in real terms during the five years to 1980.

The Commission says the policies followed have been more or less in line with those recommended—especially anti-inflation and wage restraint policies—but the problems have turned out to be more serious than had first seemed. Among them it lists oil price and world trade developments, inflation, investment weaknesses and increased numbers of young people coming onto the labour market.

The next Tripartite is scheduled in Luxembourg on June 27 and among the policies the Commission urges common goals are appropriate adjustments of national economic policies to the balances of payments and rates of inflation, higher levels of investment, and co-ordination of general structural changes at the national and community level. The Commission's action programme for restructuring the Common Market steel industry is put forward as an example of such co-ordination.

In unemployment, the Commission says the emphasis should be put on restoration of healthy economic growth but, in the meantime, various measures to stimulate employment should be considered and classical methods of aiding employment must be continued and strengthened if necessary.

Japanese fishing

Japanese Prime Minister Takeo Fukuda said yesterday that prospects were gloomy for negotiations in Moscow on a new fishing agreement with the USSR. Reuter reports from Tokyo. He was speaking after an emergency cabinet meeting called to discuss last-minute Soviet proposals which held up on Wednesday the signing of a tentative agreement aimed at regulating Japanese fishing rights within the new Soviet 200-mile fishing zone.

British Investment Trust

Highlights from the Report and Accounts for the Year to 31st March 1977.

Year to 31st March	Total Assets £	Total Revenue £	Earnings p (gross)	Dividend p (gross)	Asset Value* per Ord. Share p
1966	82,300,000	2,442,000	3.16	3.125	129
1969	106,800,000	2,696,000	3.26	3.250	168.
1970	96,300,000	3,145,000	3.44	3.375	144 1/2
1971	96,900,000	3,411,000	3.78	3.625	146
1972	134,200,000	3,668,000	3.99	3.875	206 1/2
1973	134,000,000	3,923,000	4.00	4.125	202
1974	105,600,000	4,793,000	3.70	3.125 + 0.375 (Special)	148 1/2
1975	97,700,000	4,632,000	3.45	3.35	142
1976	120,300,000	4,746,000	3.55	3.50	182 1/2
1977	118,400,000	5,325,000	4.36	4.30	187

*Before conversion of Convertible Debenture Stocks

REVENUE
The strong revenue performance allowed a 23% increase in the Ordinary Dividend from 3.50p to 4.30p per share. This is materially in excess of the inflation rate over the same period and is the 10th successive increase in the basic dividend.

CAPITAL
The United Kingdom share prices were generally a little higher over the year whereas in the United States there was some disappointment that economic recovery was not as strong as had been forecast and the stock market having moved within a very narrow range up to the end of December, fell sharply in the last three months of the financial year. The Japanese economy showed a relatively stronger trend and this area proved to be the most rewarding. Overall the Net Asset Value increased 4 1/2 p to 187 p per share.

The proportion of our investments in the United Kingdom rose to 55% this year compared with less than 47% last year. Although this was partly due to the repatriation of around 10% of the overseas portfolio, the more significant factors were the strong market performance in this country during the last three months combined with the decline in Wall Street and the lower rate of investment currency premium.

PERFORMANCE
The Policy of the Board has been to provide the shareholders with a stake in a wide variety of well managed companies both in this country and overseas and more recently in high-class properties.

Over the ten-year period to 31st March 1977 the share price has risen by 84%, Net Asset Value has consistently exceeded the performance of the F.T. Actuaries Index and has more than doubled during the period and the Ordinary dividend is nearly 2 1/2 times the level of ten years ago.

PROSPECTS
So far as the current year is concerned there is reason to believe that the world economic climate generally will improve which should in due course be reflected in higher share prices. We expect that revenue will show a further encouraging improvement which should ensure a satisfactory increase in the dividend.



A Hertz No.1 man gets away from the crowds. Fast.

When you rent a Hertz car, you're a No.1 man instantly. We don't keep you waiting. You want a car. You get it... fast! An economical Ford Fiesta, the new Corina, Granada or another fine car, thoroughly cleaned, checked and serviced. It's all part of the Hertz service. A service so efficient that only Hertz could offer you the latest innovation in speedy car rental: the Hertz No.1 Club.*

Being a member of the Hertz No.1 Club means that you won't have to waste time while your rental forms are being filled in. It is prepared in advance. Before you leave, you telephone the number below, your travel agent, or your nearest Hertz office. Give your Hertz No.1 Club membership number and your reservation details. Your car will be ready and waiting.

All you do is show your driver's licence and change car, sign and go. So when you rent cars, rent Hertz and become a No.1 man. And why not do what almost 2 million business people around the world have done: join the Hertz No.1 Club. No introduction is needed, no membership fee. Get your application form for the Hertz No.1 Club at any Hertz counter or office. Or, when you next rent a Hertz car, ask to be enrolled automatically.

Book your rental to any major charge card. Or even easier for you, get a Hertz Charge Card. There are no interest charges. *In Germany the Hertz VIP Club.

The Hertz No.1 Club
Phone, sign, and go.

LONDON 01-402 4242
MANCHESTER 061-437 8321
BIRMINGHAM 021-643 8991
GLASGOW 041-248 7733

Copies of the Annual Report and Accounts may be obtained from The Secretary, The British Investment Trust Limited, 46 Castle Street, Edinburgh, EH2 3BR.

AMERICAN NEWS

OVERSEAS NEWS

Bid to halt execution of court ruling on Concorde

BY JOHN WYLES

NEW YORK, May 19.

THE NEW YORK and New Jersey Port Authority's legal battle against the Anglo-French Concorde moves into a higher gear to-morrow with an attempt to stay the execution of a court ruling last week which effectively lifted the ban on the aircraft landing at Kennedy Airport.

U.S. Federal District Court Judge Milton Pollack, who decided last week that the Port Authority had no legal right to ban Concorde, will hear technical submissions from British Airways and Air France lawyers as to how this judgement should be applied and will then decide on the Port Authority's application for a stay of execution pending an appeal to a higher court.

Saudi fire cost Aramco \$100m.

BY RAY DAFTER, ENERGY CORRESPONDENT

THE ARABIAN-American Oil Company (Aramco) estimates that the recent fire at its Abqaiq oilfield in Saudi Arabia caused losses estimated at about \$100m.

Since the Pollack judgement last week, British Airways and Air France have started preliminary discussions on mounting a fight for Concorde leading to the inauguration of a passenger service.

In his ruling, the judge said that the main issue he faced was whether the Port Authority or the U.S. Federal Government should prevail in matters concerning aircraft noise.

A curious twist to the affair is that federal officials are reported here to have believed that the federal Government does not have authority to over-ride local airport operators' noise rules.

NEW ISRAELI GOVERNMENT'S PRIME TASK

Strong measures needed on economy

BY L. DANIEL

TEL AVIV, May 19.

MR. MENAHEM Begin's call for a Government of national unity which he voiced immediately after the election results became known—has been widely interpreted as designed to strengthen his hand both in parliament and in dealing with Washington.

While labour has claimed to represent the working class, wage earners and white-collar employees alike, feel that it failed to protect their interests.

Mr. Menachem Begin's need for either a government of national unity or a wider coalition, Labour, too, has finally acknowledged that its past policies can no longer continue.

large that the choice is between what is termed "controlled unemployment" or ever-increasing dependence on U.S. aid (if forthcoming); a further rise in foreign indebtedness; and eventual exhaustion of foreign currency reserves, which would spell in the end a much higher level of unemployment.

Even after these elections, differences between the Likud and Labour on economic policy could well be sufficient to make such co-operation impossible, even leaving aside the two parties' differences of opinion on foreign policy.

Thus over domestic policy, as over foreign affairs, a government of national unity would be formed with innumerable problems without such a shift. Much will have to be reached which would depend on the Likud's ability to bring home to the population at large the choice is between what is termed "controlled unemployment" or ever-increasing dependence on U.S. aid.

With Likud, war is inevitable, say Arabs

By Iman Hijazi

BEIRUT, May 19.

ARAB LEADERS will inform President Carter that the U.S. promises to get the new Israeli Government to co-operate in efforts towards the Middle East settlement.

Initial Arab reaction has been to point out that Mr. Begin's rise to power will add to the responsibilities in view of the Likud's economic policy of refusing to yield to economic A. Beirut newspaper.

Observers say the results of the Israeli elections may force the Arab leaders to switch the attention back to the confrontation with Israel.

Israel Opts for Change

It is this legacy which the next government has inherited. Clearly the key to most of the present expenditure and the budget deficit. Even Mr. Peres acknowledged at the end that the Government could do well without several of its present 19 ministries.

But public sector cuts will undoubtedly also entail a reduction in services, which at present are at a level which the country simply cannot afford.

Banaban statement due soon

BY JOHN WYLES

NEW YORK, May 19.

A statement on the intentions of the British Government towards the Banaban Islanders in the South Pacific, who won part of a marathon lawsuit in December over the effects on their island of phosphate mining, is expected soon.

The former Chief Minister of the eastern Malaysian state of Sabah, Tun Mustapha, has been returned unopposed as president of the United Sabah National Organisation.

Zambia warns Rhodesian troops

BY OUR OWN CORRESPONDENT

LUSAKA, May 19.

ZAMBIA BLAMED Rhodesia today for provoking a shooting incident across the Victoria Falls yesterday, and told the Rhodesian troops of Zambian, strikes at guerrilla bases in the white minority government in Salisbury.

According to diplomatic sources here, some units of Zambia's 5,000-strong army have been moved south to the border area—always a troubled spot since it is across the Zambezi Rhodesia border that guerrillas of Mr. Joshua Nkomo's ZAPU infiltrate for hit-and-run strikes.

Schulze optimistic on economy

BY JOHN WYLES

NEW YORK, May 19.

AN OPTIMISTIC picture of the U.S. economy's growing at a smooth and steady rate of about 5 1/2 per cent up to 1981 was given here last night by Mr. Charles Schulze, chairman of President Carter's Council of Economic Advisors.

Speaking only 24 hours after Mr. Carter's decision to increase the deficit in the United Automobile Workers Union convention, Mr. Schulze laid heavy stress on the U.S. Administration's objective of producing full employment and a balanced budget by 1981.

Schulze said that business would increase its fixed investment at an annual rate of between 9 and 10 per cent.

A lower inflation rate and a cut in the federal Government's share of the national product (GNP) from 26 to 21 per cent were the other main economic goals the Administration had set itself, but Mr. Schulze stressed that the Administration's approach would be to do this gradually.

Nixon backs executive privilege

BY JUREK MARZEN, U.S. EDITOR

WASHINGTON, May 19.

FORMER PRESIDENT Richard Nixon believes that his authority as chief executive gave him the power to order what would otherwise be illegal activity against American residents.

Mr. Nixon's arguments have been heard before, though at the height of the Watergate scandals the doctrine was known as "executive privilege" (the right of the executive to withhold information from the public) rather than "inherent authority."

Mr. Nixon also said he had no intention of disclosing the so-called Huston Plan for the surveillance of U.S. anti-war activists.

The Huston Plan embraced burglaries, as well as surveillance. Mr. Frost asked the former President whether he would have sanctioned murder.

MOSLEM REBELS IN THE PHILIPPINES

Ignored, poor and very angry

BY MIGUEL SUAREZ IN MANILA



THE POSSIBILITY of new, even in October 1972 in Mindanao, bloodier hostilities in the Philippines' second largest island, 500 miles south of Manila, and the Sulay Archipelago further south.

the MNLF. The MNLF rejected the provisional government as merely an ad hoc committee, objecting to the referendum which it said did not conform to the Marcos-Khednafi agreement.

Venezuela oil search delay

BY JOSEPH MANN

GARACAS, May 19.

THE PRESIDENT of Venezuela, Sr. Carlos Andres Perez, has said that the Orinoco heavy oil belt—a vast reservoir of non-conventional crude—will be developed when petroleum prices reach higher levels.

New controversy on Panama Canal

By Alan Riding

MEXICO CITY, May 19.

PANAMA'S strongman, General Omar Torrijos, has stirred a new controversy around the current Canal Treaty negotiations by first stating that he would accept a residual American defence role in Panama after the year 2000 but then promptly denying his own words.

Ecuador strike

The general strike called by Ecuador's three main union groupings has been described as a total failure by the Minister of Labour, Colonel Jorge Salvador Chiriboga, writes Sara Keadall in Quito.

On Panama Canal

In a week-end interview with a Washington Post reporter, General Torrijos tackled the principal remaining obstacle in the ongoing negotiations by conceding that Panama can accept the U.S. right to intervene against a third country to project the neutrality of the canal.

On the other, accusing each of insincerity and of wild promises. Calling on the Islamic to take the world, and the United Nations to take measures to stop the massacres in the southern Philippines, the Islamic General, Mr. Ali Treki, accused Manila Government of preparing for a conclusive offensive.

At the heart of the Moslem grievance is widespread ignorance and poverty aggravated by long years of Christian abuse and central Government neglect. About 20,000 people, by official estimate, have died in the fighting.

Development of the belt would provide Venezuela's oil industry with an attractive, short-term supplement to costly new exploration schemes, according to some oil men here, and would give the country a huge, readily available backup reserve.

The MNLF had called for a referendum in the 13 provinces, the Manila Government has always insisted on subjecting the merger of the provinces to a referendum.

The results were not as anticipated. On March 25 Mr. Marcos proclaimed autonomy for the 13 provinces with a total population of more than 6m. Moslems have a majority in only five. On the

WORLD TRADE NEWS

Haferkamp begins Tokyo talks on trade issues

BY CHARLES SMITH

TOKYO, May 19.

THE FIRST meeting at ministerial level of the twice-yearly talks between Japan and the EEC on trade matters got underway today when Mr. Wilhelm Haferkamp, EEC vice president for external affairs, met the Japanese Foreign Minister, Mr. Hiro Hatayama.

Japan of processed agricultural products. Mr. Haferkamp said this morning he thought the atmosphere for the talks seemed "very good and very constructive" and he could not be sure (at the start of the talks) whether Japan agreed with his view that the imbalance on bilateral EEC-Japan trade "must diminish".

Fire cuts Japanese oil imports

BY OUR OWN CORRESPONDENT

TOKYO, May 19.

IMPORTS of Saudi Arabian oil to Japan will be cut sharply in Saudi shipments are expected to be made up by supplies from other sources, although not necessarily from countries selling at the lower of the two OPEC price levels.

The reason for this is that the oil in which the U.S. oil majors participating in Aramco have no equity participation. Subsequently, affiliated oil companies also received notices. The latter believe that their American partners will provide substitute supplies for the interrupted flow of Saudi oil.

Steel dumping denied

BY OUR OWN CORRESPONDENT

TOKYO, May 19.

TRADE and Industry Ministry officials denied allegations that Japan asked the British Government to take trade protectionist action until its probe was completed.

The Japanese Trade and Industry Ministry has asked Japanese car makers to refrain from excessive sales promotion campaigns in the U.S. to forestall another trade conflict following the colour TV disagreement. Ministry officials said.

India and China to resume trade

By K. K. Sharma

NEW DELHI, May 19.

INDIA AND China have agreed to resume trade after a break of 13 years and the first deal worth Rs.15m. (\$1m.) has been concluded. India is to export shellac to China and import Chinese antimony, zinc and mercury when the first deal with the list is to be expanded.

Trade between the two countries was suspended after the border war of 1962. But recently an Indian trade delegation visited the Canton Trade Fair and that first deal was concluded there.

Tanzanian deal

A consortium of Indian textile machinery manufacturers has finalised a contract with the National Textile Corporation of Tanzania for establishing a rupees 100m. cotton spinning mill complex with a capacity of 36,000 spindles on a turn-key basis.

Doubts behind Soviet plant deal

BY KEVIN DONE IN LONDON AND DAVID SATTER IN MOSCOW

THE \$147m. deal concluded this week in London by Davy Powergas, ICI and Klockner for the construction of two methanol plants in the Soviet Union was only finalised after direct contact at Prime Ministerial level.

Less than a month ago the contract appeared to be slipping away from Britain. But a switch in the currency in which Davy was tendering—from sterling to dollars—plus a great effort at the highest political level in both the U.K. and the USSR overcame strong international competition.

The contract, the largest in the history of Anglo-Soviet trade, marks a significant breakthrough for British industry and several officials involved in the negotiations have been at pains to point out that this contract takes British industry into an entirely new league in its dealings with eastern bloc countries.

Moreover, doubts are already being expressed about the cumulative effect that such compensation deals might have on open western markets. At present no monitoring device exists to judge its impact.

In Moscow it is suggested that the deal will not only give a boost to lagging British exports, but also to increase British receptivity to the idea of compensation trading.

most responsible for tying the deal together came not from the U.K., but from West Germany. In all, three separate contracts were signed this week by the various parties, but the only company to figure importantly in all three was Klockner of West Germany.

Klockner is the third largest steel manufacturer in West Germany, but it also happens to be one of the leading trading companies in Europe in steel, machinery and chemicals. In recent years it has also built up an almost unrivalled experience in two areas of expertise which

and Economic Relations, which opens in Moscow on May 24. In addition, Mr. Dell will carry on individual Soviet leaders and Ministers. The joint commission will undertake a review of trade and economic, industrial, scientific and technological co-operation and consider future prospects.

Britain has been slow to undertake compensation trading. So far the Soviet Union has signed more than 60 such deals with organisations and companies in Austria, France, West Germany, Japan, Italy and the U.S. Negotiations are continuing with British companies for chemical plants, pulp and paper plants, light machinery and equipment.

on the world markets. In the past ICI has been reluctant to become involved in the strict-jacket of compensation trading. But it has agreed to take a major role in this deal, partly because it considers that world demand for methanol will grow steadily in the period from 1981-1991, the approximate duration of the deal, and partly because it considers that the deal will bring considerable long-term trade advantages.

Currently because of large purchases of oil and naphtha from the USSR, trade between the two countries is in a considerable imbalance. ICI has been anxious to ensure that such compensation trading should not damage western industry and for this reason has refused involvement in the past in deals involving, for instance, the buy-back of polyester fibre from the USSR. Plants in Western Europe are already working well below capacity in this area.

For methanol on the other hand, the market is growing as more and more end uses are discovered. ICI is itself investing in a plant on Teesside for converting methanol into propan for animal feedstuffs, and in Germany it is being used as an additive for petrol.

With the present world capacity set at about 10m. tonnes, ICI is confident that the 300,000 tonnes a year that is expected from the USSR during the 1980s and early 1990s will not be a disruptive factor in world markets.

With its own capacity of 600,000 tonnes a year on Teesside the Russian supplies will help to maintain its position as one of the world's leading suppliers. The 300,000 tonnes a year will represent about 20 per cent of the output from the two Russian plants and part of it—less than 50 per cent—will be handled by Klockner Chemie.

Behind the euphoria of Britain's first major deal of this type, lies the growing realisation that compensation trading is destined to become a subject of serious national and international concern.

Curb on U.S. car promotion

TOKYO, May 19.

The Japanese Trade and Industry Ministry has asked Japanese car makers to refrain from excessive sales promotion campaigns in the U.S. to forestall another trade conflict following the colour TV disagreement. Ministry officials said.

U.K. expects 25% invisibles rise

BY MICHAEL BLANDIN

THE NET overseas invisible earnings of the major British service industries are expected to jump by about another 25 per cent this year, according to a latest survey carried out by the Committee on Invisible Exports.

of sales of airline tickets where prices are fixed internationally. Increased earnings from tourism are expected to come mainly from Europe, North America, Japan, Australasia and the OPEC countries.

TRENDS IN INTERNATIONAL BANKING AND CAPITAL MARKETS

For everyone who deals, lends or borrows in the international financial markets the Banker Research Unit presents a complete review, analysis and the important statistics covering:

- 1. The euro-currency market.
2. The medium term syndicated euro-credit market.
3. The international business of United States banks and their foreign branches.
4. The international bond markets.

This updated and comprehensive service is prepared by Professor Llewellyn and Dr. Dennis as the definitive analysis of the international markets. Supporting the analysis is a unique collection of 40 tables and charts which are regularly updated.

If you would like to have more details on this new service, we will be glad to send to you our booklet which contains examples of these tables and charts and describes the service offered.

Please send your request for a complimentary copy to: The General Manager, Banker Research Unit, Bracken House, 10 Cannon Street, London EC4A 3BY.

Dell warning on protectionism

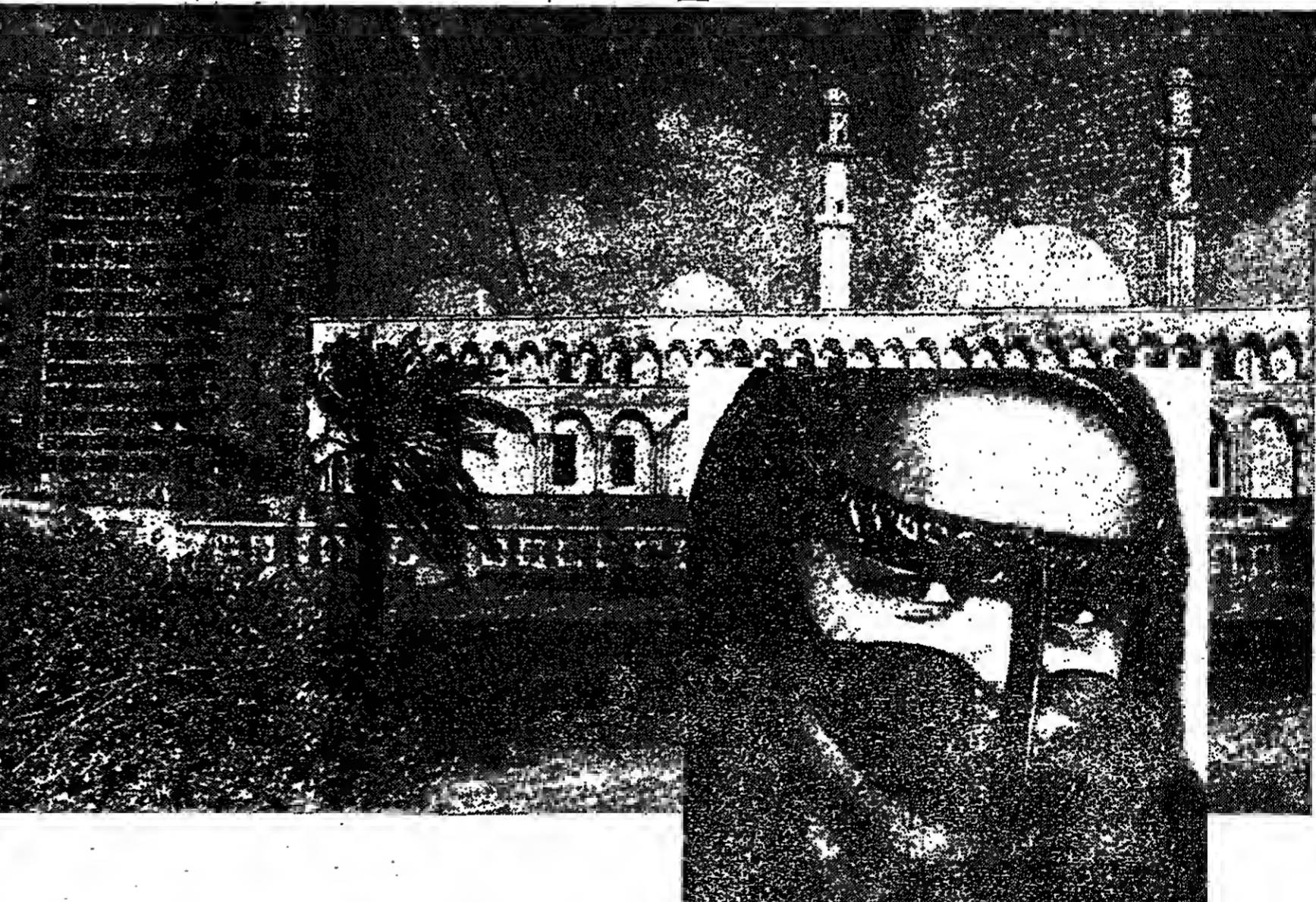
Financial Times Reporter

MR. EDMUND DELL, Secretary for Trade, yesterday warned against the dangers of protectionist pressures in trade policy. Mr. Dell, who was speaking to the British Importers Confederation, noted that "there are in the world today in the practice of trade policy two tendencies in conflict. There is," he said, "the continuing drive to interdependence represented by the multilateral trade negotiations. There are also increasingly strong protectionist trends."

"These trends arise from the severe economic difficulties which all countries face, even the strongest, with their high levels of unemployment." Fortunately, there is now a consensus among the major developed countries that the open trading system is in all our interests. The consensus is threatened, however, by increasing worries about countries which appear to be exploring the system, the free trade system, without permitting in their own countries significant import penetration; and this has led to talk in some other countries of widespread orderly marketing arrangements which would be operated to protect domestic markets.

He stressed that it was in the national self interest of nations to preserve an open world trading system. The British Government, he said, would be supporting the renewal of the OECD Trade Pledge for a further year. Mr. Dell also warned that Britain should not become too euphoric about the present balance of payments. "The responsibility for this change in trend lies primarily on the accident of North Sea oil and rather less on our success as an exporter of manufactured products."

The true cost of flying building materials gave her a complex.



The true cost was competitive skyrates offered by IAS Cargo Airlines for specialised all-freight services throughout the Eastern Hemisphere. The shipment was building materials flown by a CL-44 aircraft from London to the Gulf, where Taylor Woodrow are developing a new complex in Oman. This complex needs a fast, cost effective and regular supply of materials from London. So Taylor Woodrow requested the services of IAS. And continue to do so on a regular basis.

The IAS service is now established as a viable low-cost alternative to surface transport and conventional air-freight. And cost related prices are backed-up by efficient commercial and operational units and a network of offices overseas. It might be building materials, engine spares, books, pharmaceuticals, clothing...if your export/import problems need a constructive delivery system contact Chris Allen at IAS or your freight agent. Now there's another way.

Table with 5 columns: Destination, Kano, Lagos, Nairobi, Lusaka, Khartoum, United Arab Emirates, Perth, Sydney, Melbourne, Brisbane, Auckland. Prices listed in pence per kilo.

IAS CARGO AIRLINES logo and slogan 'The low cost way.' Below the logo is a stylized graphic of an airplane wing.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PROCESSING

Speeds up device making

SERVICES

Eliminating the jargon

MANY COMPANIES with machine tools, processing plant, electronic and other equipment in their factories must at some time or other be faced with the problem of interpreting the technical terminology used by designers and manufacturers in their specifications, maintenance manuals and other literature.

Usually intended as a guide for those who have to run or maintain the equipment, the technical literature can sometimes be as confusing as the problems which it aims to solve.

HANDLING

Vegetables graded fast

OUTPUT RATES infinitely variable from 3 tons to over 30 tons/hour can be achieved with a high-speed produce grader developed for the bulk handling of potatoes, onions, heatroot and similarly shaped vegetables. It is claimed to offer accurate sizing with minimum produce damage.

Called the Hi-Flow 5, it incorporates a chain-belt sizing screen 60 inches wide, powered by a variable speed drive. Slack and vibration is controlled by spring-loaded rollers. A range of screen sizes is available to cover produce grading requirements.

OFFICE EQUIPMENT

Automatic addressing

Up to 3,000 envelopes can be addressed in an hour by the latest Scriptomatic machine. It uses an address master which doubles as an index card.

Marking in the U.K. is by Scriptomatic, Torrington Park, London N12 9PU (01-445 0163), a subsidiary of Scriptomatic SA, Geneva, Switzerland.

ing) reckons it can take any set of complex instructions and diagrams and translate them into simple terms which can be readily understood by those who are not necessarily experts, but who are responsible for carrying out those instructions.

Translations can be in any form to suit the user of the service and range from printed matter to audio-visual aids.

The technique can be applied to many fields of industrial and commercial activity, and is already being used to make company annual reports easily understood by workers.

Details of the service can be obtained from the company at Cambridge Science Park, Milton Road, Cambridge CB4 4BH (0223 64216).

order of the cards undisturbed. The machine is programmed by 24 on/off switches, which in various combinations can produce up to 300 different selection patterns. All operations—envelope feed, address printing, delivery and stacking of address cards and envelopes—are automatic.

TO MANUFACTURE a semiconductor device a transistor, integrated circuit, microcomputer—the first step always is to grow a high purity crystal of silicon, slice it very thinly and treat the fragile wafers thus formed either in a furnace with a controlled atmosphere or in a particle accelerator.

Both methods are aimed at a common end, to introduce into the surface layers of the silicon other elements which alter its electrical properties, making a tiny piece of doped metal capable of switching or rejecting a signal under controllable conditions, just like the thermionic valve.

But both the heat treatment doping and the ion implantation are lengthy and/or expensive. So "breakthrough" is not to be exaggerated a word to describe a development at General Electric's Research and Development Centre in Schenectady which

COMPONENTS

Waterproof keyboard

OPERATED by capacitive coupling between each key and the human body, a touch keyboard announced by Pye Electronic Devices is likely to prove useful in arduous environments, particularly where complete waterproofing is needed.

It will also be welcomed where hygiene is important, for example in hospitals and food processing plants and where there is an interface with the public, as in banks.

The switching action takes place through the front surface of any non-conductive material such as glass or plastics and the matrix on a 3 x 4 or 4 x 4 matrix on a 18 mm pitch. They have 10 to 16 keys which can be function-coded or binary coded or a combination of the two. Operation is from 5V with 32mA current switching, or 10 to 15V for 12V CMOS compatibility.

Flexibility of the design means that special keyboards can be made to suit most needs, there being little limitation in either size or arrangement. Non-standard features such as specific key illumination in various styles and logic signal variations can also be provided. More from Exning Road, Newmarket, Suffolk (Newmarket S16).

cuts the doping time from days to hours.

Almost as important is the fact that the "dry" process, called thermomigration, by its degree of doping, it is possible to control size, shape and degree of doping on the treated parts.

The research team believes it may be possible to create semiconductor devices the elements of which are all contained within its material rather than being carried on the surface in a successive build-up of thin layers as at present.

While major interest in the new process is at the moment for the manufacture of heavy current devices such as thyristors there is no reason why it should not be extended to the production of small signal devices such as are used in computers, calculators and so on.

METALWORKING

Will grind circular castings

A SINGLE head surface grinding machine with indexing tooling, and a 750 mm diameter grinding wheel mounted on a re-circulating head, has been introduced by Rowland and Co., Station Road, Redditch, Nr. Stratford, SK5 6NF (061-432 3201).

It is designed for grinding the diameter of circular castings, including the removal of runner and riser stubs. The machine is equipped with three indexing spindles. The operator loads a casting on to a spindle, orients the stubs on to the grinding under an automatic guide shoe, and starts the machine. The loaded spindle indexes to the grinding position and the casting is ground to size.

COMMUNICATIONS

Low cost vision link

INTENDED for setting up a quick, simple and cable-less connection between a closed circuit television camera and a standard television receiver is an L-band microwave link from Microwave Associates of Dunstable.

The transmitter consists basically of crystal source, amplifier and modulator unit, the latter also acting as the final output stage. For short ranges the driver can be coupled direct to the modulator, giving 25 watts rf,

SECURITY

Combats trailer thieves

TWO SECURITY devices for protecting parked vehicles and trailers have been launched by Worcester Fasteners, 8 The Moors, Worcester (0905 23598).

To immobilise both tractor and trailer a lockable valve mechanism, which can be installed in the cab in about two hours, is fitted in one of the vehicle's service systems, such as the air brake line, or the hydraulic clutch line. It is operated by a

AGRICULTURE

Forage harvesting unit

A SELF-PROPELLED unit and a remote control kit for forage harvesting equipment have been introduced by Falcon Agricultural Machinery, Great Hagwood, Stratford (0899 83270).

The self-propelled unit comprises the Falcon H 500 forage harvester and an International 1046 tractor converted for driving in reverse. The reverse driving kit was developed by Falcon and consists of a driving shaft that can be turned to face rearwards, an additional steering column operating the tractor's hydrostatic steering, and pedals converted by cables to the normal system.

COMPUTERS

Board runs a display

ABLE TO drive practically any simple cathode ray tube display is a video display board (VDB) from Ziog (U.K.), a new member of the company's Z-80 microcomputer board family.

It will run displays of 24 lines of 80 characters, or graphics containing 560 points in the X axis and 288 points in the Y axis.

NAVIGATION

Echoes on a big chart

SEAHORSE is a new navigational echo-sounder designed by Marconi Marine and shown for the first time at the recent Marinetex 77 exhibition.

Offering good resolution at all depths from one to 1,000 metres, Seahorse has only two ranges (0 to 100 and 0 to 1,000m) automatically selected, and resolution, or chosen manually. The chart paper has a usable width of 10 inches and incorporates a pre-printed scale to improve interpretation. It is mounted in an easily removed cassette.

INSTRUMENTS

Has few components

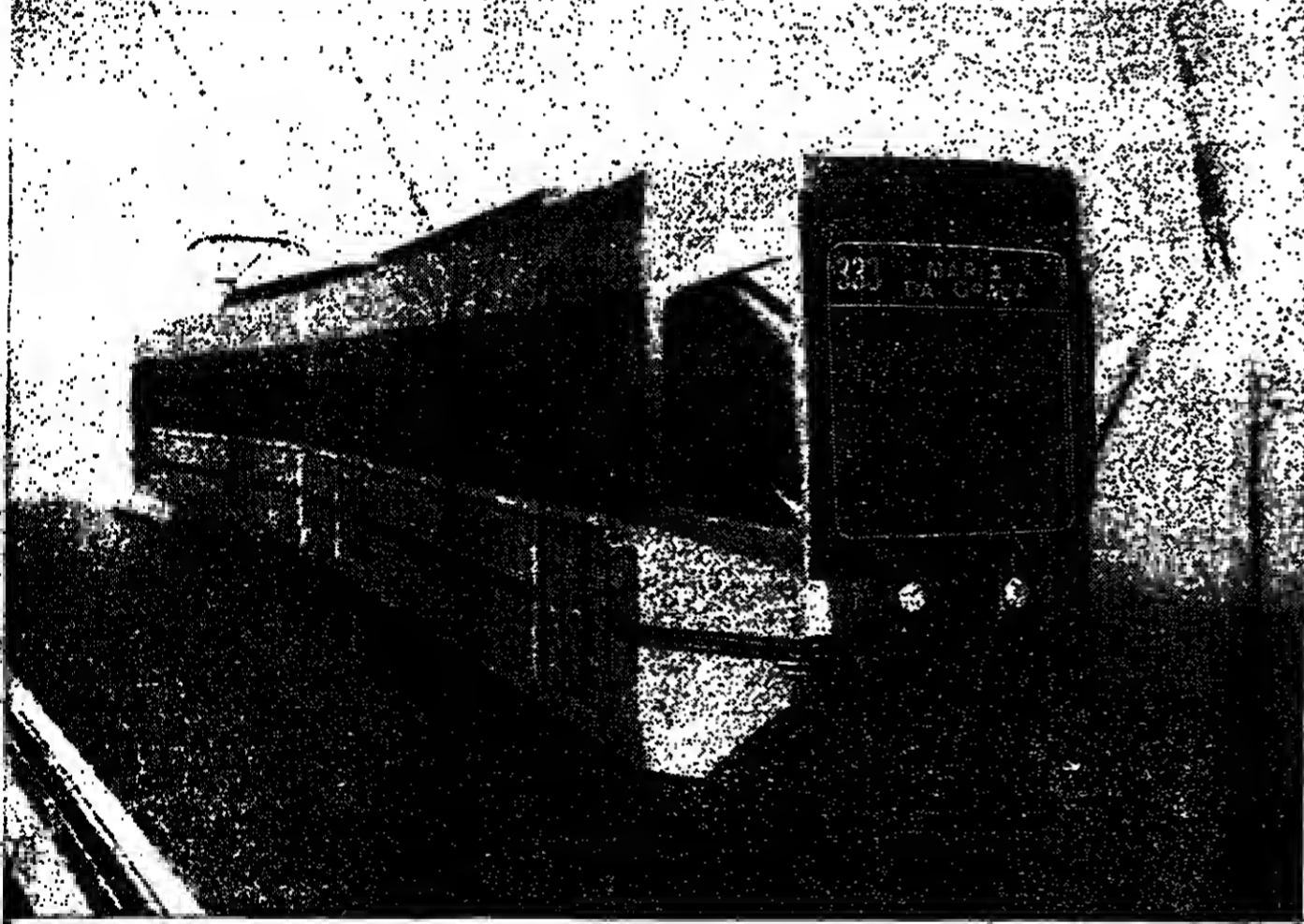
ALPHA III. Could Advance's latest offering in digital multimeters, uses a large-scale integrated circuit combining analogue and digital functions in a single chip.

The instrument has a full 1999 scale length and the display uses high brightness light-emitting diodes, more than 50 hours of operation can be obtained from one set of SP12 C/P cells or a battery eliminator can be supplied for mains operation.

CINEMAS

More about the unit, which is housed in a case measuring 246 by 189 by 72 mm, and weighs 1.2 kg. From Roebuck Road, Hainault, Essex IG6 3UE (01-99 10001).

More about the unit, which is housed in a case measuring 246 by 189 by 72 mm, and weighs 1.2 kg. From Roebuck Road, Hainault, Essex IG6 3UE (01-99 10001).



Fast move in Rio, even in the rush hour

Rio de Janeiro has heavy traffic problems. To help solve them, Rio's Companhia do Metropolitanano has chosen a new pre-metro system.

This will be equipped with electric vehicles, running on rails, with a normal capacity of 235 passengers. The latest developments to this vehicle have been assessed by Rio's authorities on a recent visit to Brussels, one of Europe's most up-to-date cities in the public transport sector.

La Brugeoise and Nivelles, European leader in the field of rolling stock for both urban and inter-urban transportation, has developed the new concept and will be building the prototypes. Cobrasma S.A. will make use of Brugeoise and Nivelles' advanced technology at the series production stage.

The first pre-metro line, linking Maria da Graça and São Mateus via Pavuna, will be equipped with 68 of these vehicles.

Technical Data

- Single-articulated vehicle, in carbon steel
- Overall length of vehicle 25 metres
- Maximum operating speed 80 k.p.h.
- Track gauge 1.6 metres
- Turning circle of 25 metres radius
- Electrically powered by overhead line
- Single motor bogies by MTE (France)
- Capacity of 470 passengers in each two-vehicle train. During rush hours, two two-vehicle trains can be coupled together, to give a capacity of 940 passengers
- Construction by Cobrasma S.A.
- Designed and engineered by La Brugeoise et Nivelles S.A., with coachwork and fittings in modern styling

For further information, please contact
LA BRUGEOISE ET NIVELLES S.A.
Vaartdijkstraat, 8200 Bruges, Belgium
Tel: 050/33.07.51 • Telex: 81122 bnbrg b



ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

OPERA & BALLET	THEATRES	THEATRES	THEATRES
<p>COLISEUM, 236 3161 (Credit Card Box 240 5258). Evs. 7.30 Wed. Sat. 3.00. Tonight: <i>The Nutcracker</i> (Prod. Royal Ballet, Covent Garden).</p> <p>ROYAL OPERA HOUSE, 211 Strand. Evs. 7.30 Wed. Sat. 3.00. Tonight: <i>The Nutcracker</i> (Prod. Royal Ballet, Covent Garden).</p>	<p>DUKE OF YORK'S, 01-938 3022. Evs. 8.00. Sat. 8.00 and 8.45. Tonight: <i>Dennis the Menace</i> (Prod. London Theatre).</p> <p>ROYAL THEATRE, 01-938 3022. Evs. 8.00. Sat. 8.00 and 8.45. Tonight: <i>Dennis the Menace</i> (Prod. London Theatre).</p>	<p>FIDELITY, CC, 437 4506. Evs. 8.00. Sat. 8.00 and 8.45. Tonight: <i>Wicked</i> (Prod. London Theatre).</p> <p>ROYAL THEATRE, 01-938 3022. Evs. 8.00. Sat. 8.00 and 8.45. Tonight: <i>Dennis the Menace</i> (Prod. London Theatre).</p>	<p>WESTMINSTER THEATRE, 01-354 9134. Evs. 7.30. Sat. 8.00. Tonight: <i>The Merchant of Venice</i> (Prod. West End).</p> <p>ROYAL THEATRE, 01-938 3022. Evs. 8.00. Sat. 8.00 and 8.45. Tonight: <i>Dennis the Menace</i> (Prod. London Theatre).</p>

ART GALLERIES

AGNEW GALLERY, 43 Old Bond Street, London, W.1. Tel. 01-629 9178. Open Tues. 10.30-6.00, Wed. 11.00-6.00, Thurs. 11.00-6.00, Fri. 11.00-6.00, Sat. 11.00-6.00.

MILK & HONEY, 27 Old Bond Street, London, W.1. Tel. 01-629 9178. Open Tues. 10.30-6.00, Wed. 11.00-6.00, Thurs. 11.00-6.00, Fri. 11.00-6.00, Sat. 11.00-6.00.

CLUBS

THE WORLD'S GREATEST LAUGHERS, 27 Old Bond Street, London, W.1. Tel. 01-629 9178. Open Tues. 10.30-6.00, Wed. 11.00-6.00, Thurs. 11.00-6.00, Fri. 11.00-6.00, Sat. 11.00-6.00.

THE ROYAL OPERA HOUSE, 211 Strand, London, W.C.2. Tel. 01-938 3022. Open Tues. 10.30-6.00, Wed. 11.00-6.00, Thurs. 11.00-6.00, Fri. 11.00-6.00, Sat. 11.00-6.00.

Prices policy 'threat to brewers' plans

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE BREWING INDUSTRY plans to invest nearly £1bn. over the next three years but this programme could be jeopardised by the Government's prices policy, says a National Economic Development Council report published today.

The Price Commission investigation into beer prices coupled with the terms of the proposed new Price Code "create serious uncertainty which is likely to affect adversely the substantial programmes of investment which the main companies have recently announced."



Mr. Derrick Holden-Brown: demand may double.

Mr. Derrick Holden-Brown, chairman of the group, said yesterday: "World demand for beer has doubled in the last 10 years and we believe it will double again in the next 10 years."

Assuming that investment plans go ahead, this demand trend suggests that the industry's production capacity "would be more than adequate" by 1978.

The group found that there were problems in the industry's distribution system causing inefficiency and some under-utilisation of delivery vehicles. It suggests that attempts should be made to find policies which would allow more flexible use of the workforce.

Ministers to attend NEDC meetings

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE CABINET Ministers responsible for agriculture and the environment will attend the next two meetings of the National Economic Development Council as part of a campaign by the Government to involve Ministers outside the main economic field in its work.

Next month Mr. John Selwyn Gorton, Minister for Agriculture, will take part. Mr. Peter Shore, Secretary for the Environment, will be followed at later meetings by the Cabinet Ministers responsible for education and health.

He told the annual conference of the Building Societies Association in Eastbourne this was a "big step forward."

The British Government machine is so organised that many of the most important decisions in these fields are taken by people with no knowledge of, and often little interest in, industrial problems.

Accountants warned over higher subscriptions

BY MICHAEL LAFFERTY, CITY STAFF

THE ENGLISH Institute of Chartered Accountants faces a grave threat to its position and influence, and a risk of increased Government regulation, unless chartered accountants approve a 15 per cent increase in their subscriptions.

This unprecedented warning is given today by Mr. Stanley Kitchen, the Institute's president, in advertisements in a number of professional accounting journals.

Consumer spending in first quarter lower than forecast

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CONSUMER SPENDING during the first three months of this year was even lower than first estimated at 21 per cent less than in the final quarter of 1976.

The Central Statistical Office said yesterday that consumers' expenditure in the first quarter was £5,680m. (at 1970 prices, seasonally adjusted), according to its second preliminary estimate. This is £50m. lower than its first estimate issued a month ago.

There were declines in all areas of retail sales except clothing and footwear. Expenditure on fuel and light, on motor vehicles and on catering showed little change between the two quarters.

The pattern of consumer spending during the year has now been altered by the payment of large tax rebates during the summer, which will occur again this year, and by the uprating of social security benefits in line with prices in the late autumn.

Leasing companies will spend £500m.

BY IAN HARGREAVES

Equipment leasing will cover 90 per cent of U.K. account for purchases of well over £500m. worth of capital and other equipment this year—an increase of more than 30 per cent on last year.

The rapid growth of the industry is linked to the original cost of assets leased by member companies had risen more than 300 per cent, to £1.7bn. in the last five years.

Police begin probe into Peachey

BY MICHAEL CASSELL

POLICE have started an investigation into the affairs of the Peachey Property Corporation, whose former chairman and managing director, Sir Eric Miller, was removed from the Board last week.

despite the opposition of his fellow-directors. Shareholders were told that Anthony Hutley and Partners, a managing director, had issued a writ against Sir Eric claiming £130,000 plus interest since January, 1974.

MEPC negotiating sale of Canadian stake

BY MICHAEL CASSELL

MEPC IS negotiating the sale of its 65 per cent stake in MEPC Canadian Properties with a group of Canadian pension funds. The funds are represented by Morguard Trust.

obtained or complied with. "If the transaction is proceeded with, it is proposed that all common shares held by minority shareholders would be acquired on the same terms and all issued preference shares of the company would be redeemed at par plus accrued dividends."

The Lancia Beta 1300 may be the slowest car we make, but its 100 mph top speed and 0-60 acceleration time of 13.5 seconds is sufficient to put it well ahead of most other cars in its class.

In terms of value for money however, like the rest of our range, the Beta 1300 is in a class of its own.

It costs just £3,082.95* Its twin overhead-cam 1297cc engine can give you upwards of 30 miles per gallon.

It seats five adults in luxury with head rests on the front seats, cloth upholstery and fitted carpeting. And it comes properly equipped - rev counter, electric clock, cigar lighter, two-speed wipers and electric screen wash, heated rear window and reclining seats.

It has a 5-speed gearbox, all-round independent suspension and an 18 cubic foot boot, with an interior light.

It is packed with safety features, like inertia reel seatbelts. Dual circuit servo-assisted disc brakes. Radial tyres. And four halogen headlamps, reversing and hazard warning lights.

The body is built around a really tough rigid



The Beta Saloon Range: Beta 1500 - £3,082.95 (as illustrated). Beta 1600 - £3,571.94. Beta 2000 - £3,598.92. Beta 2000 ES - £4,043.52.

safety cage to protect the occupants, with front and rear sections designed to cushion accident impact. To protect your investment, there is underbody sealing, interbody cavity injection and a full 12 month warranty.

No other 1300 gives you quite so much for your money.

No wonder our slowest Lancia is going so fast.



The most Italian car.

Lancia (England) Limited, Alperton, Middlesex HA0 1HE. Tel: 01-998 2992. *Prices include VAT and car tax, inertia reel seatbelts and delivery charges (UK mainland), but exclude number plates.

Imperial launches brand to compete with Dunhill

BY STUART ALEXANDER

THE FIRST cigarette bearing the retail at the same price of 80p corporate name of for 40.

It will also be packaged in a division will be launched in the predominantly magenta colour.

Caution urged over accounting method

BY MICHAEL LAFFERTY, CITY STAFF

A CALL for a more practical and gradual implementation of current cost accounting has come from the newly-formed Midlands Industry Group of Finance Directors.

Mr. Paddy CHISH, finance director of Guest Keen and Nettletons, is chairman of the 28-company group which includes among its members General Electric Co., Lucas Industries, Rolls-Royce Motor Holdings, Bovis and Tube Investments.

Table with columns for regions (ENGLAND, LONDON, NORTH, SOUTH, WALES, NORTHERN IRELAND, ISLE OF MAN, CHANNEL ISLANDS, SCOTLAND) and lists of dealers with their addresses and phone numbers.

Personal Export: If you are eligible to purchase a Lancia free of taxes, contact our Export Department.

THE LEYLAND AFFAIR

Varley seeks urgent report: 'no cover-up'

BY PHILIP RAWSTORNE

MR. ERIC VARLEY, Secretary for Industry, yesterday denied allegations that he had agreed to a British Leyland scheme to offer large bribes to secure export orders.

amid protests from Labour. "Are you asserting that all the allegations published this morning in the Daily Mail are incorrect?"

NEB letter disclaimed

THE NATIONAL Enterprise Board issued the following statement yesterday afternoon: "The Daily Mail has today printed the text of a letter dated October 13, 1976, which purports to have been sent by Lord Ryder, chairman of the National Enterprise Board, to Mr. Alex Park, chief executive of British Leyland, referring to 'special account arrangements'.

"I could never in any conceivable circumstances give them my approval or even discuss or consider them except to repudiate them."

Cheering Labour MPs called for Sir Keith to apologise. Mr. Geoffrey Robinson (Lab., Coventry), former head of

Jaguar, said if the letter were proved to be a forgery, the whole knocking campaign against British Leyland would be seen as another one of a whole series of deliberate slanders against the Government.

fairer to the NEB and British Leyland if there were a proper judicial inquiry.

The inquiry would proceed in the instance with British Leyland and the NEB, Mr. Varley said. "In due course I shall consider the matter further and report to the House."

There were angry jeers from the Labour benches as Mr. Richard Wainwright, for the Liberals, asked if Lord Ryder had been instructed to return or was doing so of his own volition.



Mr. ERIC VARLEY "I have not nodded anything through."

try trying to take advantage of all sorts of claims, which are usually proved to be absolute untrue, to attack public enterprise.

Living with the B (for bakshish) factor

BY ANTHONY McDERMOTT

THE SUGGESTION that British Leyland may have had a "slush" fund, of which a large part may have gone to the Middle East, will come as no surprise to businessmen who have dealings with the area.

\$21m. and for commercial vehicles from \$487,000 to \$4m. Many Middle Eastern countries with access to large sums of money do not have the honest practices to match their desire for speedy development.

ing things such as gold necklaces and encyclopedias, to be distributed as encouraging sweeteners to potential contract awarders.

Exporters 'gave orders against bribery'

By David Freud, Industrial Staff

FIVE OF the biggest 10 exporters in the FT annual Top 100 list yesterday that they had written instructions covering bribes payments abroad.

Laws obeyed Ford, third highest exporter in 1976 with a total of £631.8m, had the most detailed instructions covering "corporate conduct."

Years near the top of the export league

FOR SEVERAL years British Leyland has been near the top if not at the top, of the U.K. exporting league, competing in some of the most fiercely contended markets in the world.

Its spread of interest is enormous, from sophisticated markets with well-developed business traditions, such as North America, Europe and Australasia, to emerging nations in Africa, the Near East and South America, where business norms are not so clearly established.

Laws obeyed Ford, third highest exporter in 1976 with a total of £631.8m, had the most detailed instructions covering "corporate conduct."

Table with 4 columns: Year, 15 months to December, % of total sales, 12 months to September, % of total sales. Rows include Europe, North America, Africa, Australasia, Near East, India and Pakistan, South and Central America, Far East, and Total overseas.

Leyland's most important product in the developing world is the Land Rover, much in demand as a military and police vehicle, and sold in the Arab world even when the company was on the Arab boycott list.

on its sports car range and the Jaguar saloons. Competition in the U.S. comes from other European specialist manufacturers like Mercedes and BMW.

cial vehicles and its range of special products which are needed as development of the oil industry and the industrial infrastructure in the Arab world.

U.K. policy on trading abroad

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

ALL BRITISH companies, in standards of business practice that include those in which the State has a financial interest, should be held to the same standards, and the main responsibility for left to develop their own methods and the law.

ing against bribery and corruption wherever it is found," he added last year. The vehicle for such international action emerged a month later when in June 1976 the OECD produced a report on multi-national companies which the Department of Industry reproduced as a White Paper "International Investment—Guidelines for multi-national enterprises."

wing critics to "act against bribery and corruption wherever it is found," he added last year. The vehicle for such international action emerged a month later when in June 1976 the OECD produced a report on multi-national companies which the Department of Industry reproduced as a White Paper "International Investment—Guidelines for multi-national enterprises."

Fees normally strictly controlled

By Michael Blandford

ANY SUBSTANTIAL payments agents and commission fees abroad by U.K. companies, of the kind reported to have been involved in the Leyland case, would normally require specific permission from the authorities.



Mr. Alex Park, chief executive of British Leyland, and Sir Richard Dobson, chairman.

Catherwood wants code on extra payments

SIR FREDERICK CATHERWOOD, chairman of the British Overseas Trade Board and a leading industrialist, called for agreement throughout industry on what payments were essential to preserve jobs in Britain when cash was paid by businessmen it was because the customer said "No payment, no deal."

Two Bills to outlaw corrupt payments being considered by U.S. Congress

BY STEWART FLEMING

SINCE THE crackdown on U.S. corporate bribery began in 1974, facilitating payments a criminal offence.

ENTERPRISES SHOULD not render—and they should not be solicited or expected to render any bribe or other improper benefit, direct or indirect, to any public servant or holder of public office.

Check other exporters, says Clive Jenkins

THE INQUIRY announced by the Prime Minister into the Leyland affair should look at other British-based exporters including the other motor companies, Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, said yesterday.

THE INQUIRY announced by the Prime Minister into the Leyland affair should look at other British-based exporters including the other motor companies, Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, said yesterday.

Safety advice for ships

GUIDELINES on the safe level of deck manning for British merchant ships are being issued by Mr. Stanley Clifton Davis, Under Secretary for Trade said in Commons written reply yesterday.

Mr. Davis said that both sides of the industry had agreed a statement of principles. At the request of owners, safe deck manning certificates would be issued to individual ships, setting the minimum deck level which in the opinion of the Trade Department, was required for safety purposes.

Check other exporters, says Clive Jenkins

THE INQUIRY announced by the Prime Minister into the Leyland affair should look at other British-based exporters including the other motor companies, Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, said yesterday.

THE INQUIRY announced by the Prime Minister into the Leyland affair should look at other British-based exporters including the other motor companies, Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, said yesterday.

Safety advice for ships

GUIDELINES on the safe level of deck manning for British merchant ships are being issued by Mr. Stanley Clifton Davis, Under Secretary for Trade said in Commons written reply yesterday.

Mr. Davis said that both sides of the industry had agreed a statement of principles. At the request of owners, safe deck manning certificates would be issued to individual ships, setting the minimum deck level which in the opinion of the Trade Department, was required for safety purposes.

Reminder

Contraids' Board issued an instruction to all chief executives in May 1976 which said: "The recent references in the Press and elsewhere in certain payments to political parties by overseas subsidiaries of U.K.-based companies have prompted us to remind chief executives that they are responsible for ensuring that their companies comply with the laws and ethical practices in the countries in which they operate."

Reminder

Contraids' Board issued an instruction to all chief executives in May 1976 which said: "The recent references in the Press and elsewhere in certain payments to political parties by overseas subsidiaries of U.K.-based companies have prompted us to remind chief executives that they are responsible for ensuring that their companies comply with the laws and ethical practices in the countries in which they operate."

Check other exporters, says Clive Jenkins

THE INQUIRY announced by the Prime Minister into the Leyland affair should look at other British-based exporters including the other motor companies, Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, said yesterday.

Safety advice for ships

GUIDELINES on the safe level of deck manning for British merchant ships are being issued by Mr. Stanley Clifton Davis, Under Secretary for Trade said in Commons written reply yesterday.

Check other exporters, says Clive Jenkins

THE INQUIRY announced by the Prime Minister into the Leyland affair should look at other British-based exporters including the other motor companies, Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, said yesterday.

Co... ex... Fli... State

10/20/77

HOME NEWS

Courtaulds to expand at Flint plant

BY RHYD DAVID, TEXTILES CORRESPONDENT

COURTAULDS IS to undertake further expansion of its stitching operations at its Aber works site in Flint, North Wales, an area badly affected by closures by the company in recent years.

The new plant, costing £750,000, will double Courtaulds investment at Aber in stitching, a process which produces inexpensive non-woven fabric for use in a variety of applications such as household and industrial textiles.

The unit will employ about 20 people initially, bringing employment up to about 70. Work is expected to begin shortly and it is likely to be in operation by autumn.

Courtaulds' stitching interests are operated by a subsidiary, Heron Fabrics, whose main plant is at Oldham, and good prospects for the product are seen particularly in export markets.

The Aber plant will derive much of its raw material from Courtaulds' neighbouring plant at Greenfield and will be able to

Shiloh closure to cost 200 jobs

FINANCIAL TIMES REPORTER

THE SHILOH spinning group is to close its Sandy Mill at Royton, Oldham, at a cost of 200 jobs.

The decision, announced yesterday, was accompanied by a warning from Mr. Edmund Garside, Shiloh's chairman, who is president of the British Textile Employers Association, that Government action against cheap imports is vital to stop further closures.

The 64-year-old mill, which will be the latest in a long line of Lancashire mills to shut, is one of four owned by the Royton-based company. It is to cease operations in the autumn.

"The closure is yet another example of the Government's failure to safeguard the industry from low cost disruptive imports," Mr. Garside said.

Urging short term relief for the Lancashire industry through a temporary ban or cuts in imports of the "most sensitive" textile categories, he said more sectors could not await the outcome of the protracted international negotiations for a new Multi Fibre Arrangement.

Policy for a changing scene

NEWS ANALYSIS—OFFICE DEVELOPMENT

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE GOVERNMENT'S decision to bring about a further and substantial relaxation in office development controls is the latest in a long series of policy changes which have taken place since controls were first introduced in 1965.

The announcement by Mr. Peter Shore, Secretary for the Environment, that the exemption limit for office development permits will be raised from 15,000 to 30,000 square feet and the decision to blow fresh life into the Location of Offices (LOE) will not, however, be entirely uncontroversial.

As Mr. Shore himself admitted in the Commons on Tuesday night, he was well aware that people in both major parties wish to see office development controls completely abolished while others were looking for tougher, rigorously enforced measures.

Earlier aim

The latest policy changes like most of the others, will be reflected not only in the different priorities of the major parties, but also changing circumstances.

In 1965, when controls first came in, the general aim was to promote the better distribution of employment throughout Britain and in particular to relieve London of some of the stresses and strains which had built up.

In 1972, when the Conservatives decided to renew controls,

the emphasis switched from encouraging office employment to move to the regions to concentrating growth within the south east region, but away from London itself.

By 1974, the Labour Government had decided to reverse policy once again and the objective was to steer firms providing office employment to the assisted areas.

Encouraged

Throughout the whole period there has been a gradual relaxation of controls, both in terms of exemption limits—originally only 3,000 square feet and below—and in their regional application. Now, office development controls remain only in the South East Economic Planning Region.

In deciding to maintain some measure of control for a further five years, the Government has acknowledged some of the fundamental changes which have recently been taking place and which have enticed its thinking about regional policy generally.

Congestion in Central London is no longer the major problem which it once was. In 1964, around 12m commuters came into the central area each day, but this figure had declined in just over a million by last year.

The number of people working in the centre fell by 10 per cent in the ten years up to 1973.

In addition, while London congestion is no longer an issue, the better distribution of employment throughout the country

remains a major priority in the eyes of the Government.

It believes that there are still not enough places of office employment outside the south east and that some companies which too readily believe London is the only location for an office and which cannot secure an Office Development Permit (ODP) must continue to be encouraged to move elsewhere.

In relocating offices to the "needed" areas, the Government expects, in the short term, to see new jobs for people living in the area and, in the longer term, a widening of the economic and social make-up of these areas by providing a greater range of employment opportunities.

Accordingly, the raising of the exemption limits is intended to control office developments of major importance and let through those affecting perhaps only 500 or 300 employees. The smaller developments tend, in any case, to be more firmly rooted in their local economy.

The Government believes the move will help the construction sector, as a number of small to medium-sized projects will be able to go ahead.

It should also help the property market, although no one last night was suggesting a development "bonanza". A major concern is that the stock of available, empty office space in London is sufficient only to take up about 11 per cent of the capital's workforce and that, with an economic upturn, demand would far outstrip supply.

There could now, however, be



some incentive to start new schemes, although developers point out that the problems of planning delays and Development Land Tax persist.

As Mr. Shore pointed out, the danger of the supply of new offices lagging behind demand, with the consequent inflationary effect upon rents, had to be avoided if possible. The sooner permits were available, the better were the chances of escaping this situation.

Apart from an easing of controls to assist inner London, however, the controls will continue as at present. That is to say that permits will only be

Reflection

As for the LUB, which some critics wish to see abolished altogether, its new role is perhaps the best reflection of the changing situation.

Its new terms of reference are two-fold to attract international companies to provide office employment in Britain and in particular attention in the provision of office employment in inner urban areas, including London.

State airline 'inefficient'

BRITISH AIRWAYS' productivity is substantially lower than that of U.S. airlines, its costs and revenues significantly higher and its fleet inefficient.

These broad conclusions are contained in an economic analysis of British Airways prepared for the U.S. Department of Transportation by Tausig Associates, an independent U.S. aviation analyst, headed by Mr. William M. Tausig.

The report suggests that British Airways is under "tremendous pressure" to increase its cash flow by any method possible, including the improvement of its market share through new bilateral agreements.

"There are indications that revenue growth has been regarded as the solution to all problems and that attention to costs has been a bit casual."

On the other hand, "the perennial need of the country and the company to earn foreign exchange has probably been

responsible for the relative inefficiency of the Overseas Division."

Capital spending on aircraft in recent years suggested that the European and Regional operations had been treated as poor relations.

The report, written before the reorganisation which merged the Overseas, Regional and European Divisions, says that "unfortunately, there appears to be a certain lack of discipline within British Airways which has grown up over the years, and this has also been true of a number of U.S. airlines."

"In the latter case, competition seems to restore lost discipline. If British Airways fields data similar to the requirements of the Civil Aeronautics Board, it could well have a dramatic and positive effect on the company's discipline. Being held accountable can do wonders."

Analysis of such information as was available about British

Airways suggested that the need to re-equip was certainly most pressing, especially where the Viscount, Trident and One-Eleven fleets were concerned.

"It appears that the sum of £500m. will have to be raised over, say, the next five years."

As for lower productivity, the European and Regional Divisions of British Airways employed well over three times as many people as Allegheny Airlines (a U.S. domestic airline) to move virtually the same number of passengers.

British Airways' fleet was "by far the most inefficient of any major airline in the world." The vast number of different aircraft and engines forced higher maintenance, spares, operations, ground handling and training costs.

British Airways, An Analysis of Efficiency and Cost Levels, available through the U.S. National Technical Information Service, Springfield, Virginia, 22161, USA.

New industry links for technology students

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

TWO NEW teaching companies, which, for technology graduates, are the industrial equivalents of teaching hospitals for medical students—are to be set up in the London and Glasgow 1982, when a decision will be made on whether to put the projects on a permanent basis.

The first project will link the toy-makers Lesney Products with North East London Polytechnic. The second will be based on Strathclyde University and Anderson Strathclyde, which makes mining and industrial equipment.

The programme is intended to improve the manufacturing technology of companies and graduates' understanding of industrial practicalities in preparation for a career in management.

So far seven teaching companies have been announced under the scheme. The number is expected to increase to 20 by 1982, when a decision will be made on whether to put the projects on a permanent basis.

At first, four are being opened at Middlesbrough, Leeds, Slough and Stoke-on-Trent.

The lost holidaymakers

BY JAMES McDONALD

FOR THE second year running people earning over £4,500 a year are cutting back on their plans to take a "main" holiday four or more nights away from home.

This is one of the findings of a survey published by the English Tourist Board and carried out by NOP Market Research.

In this earnings sector there has been a drop, from 77 per cent, to 67 per cent between 1976 and 1977 in the proportion planning a main holiday.

Those earning between £1,500 to £1,999 have also shown a

10 per cent reduction in plans for a main holiday this year. Only those in between, earning £2,000 to £4,999, show a greater expectation of taking a main holiday this year than last, says the board.

The survey shows a marked shift away from holidays abroad to holidays in Britain among the over £4,500-a-year, or managerial and professional groups.

There is an increased intention within the £2,000 to £4,000 a year sector—high clerical and manual groups—to concentrate on holidays in this country, too.

These findings, the Board believes, are of importance to

prospects for this year's home holiday market.

"However, at a time when the British holidaymaker is more cost conscious than ever before, much will depend on the outcome of wage and social contract negotiations presently being discussed by the trades unions and Government, coupled with price movements generally."

The Board believes it is doing the right thing by calling attention to what is attractive and available in England. It says: "We foresee a barely increased and extremely price sensitive British home holiday market in 1977. Holidays abroad will remain depressed."

SAAB



The Exclusive Coupés—The Practical Combis

The Saab 3 door and 5 door Combi Coupés, manual or automatic, are designed to give the discerning motorist an unmatched blend of: Comfort and versatility; performance and economy; safety, real driving pleasure and genuine long distance comfort for five adults.

The 2 litre engine gives power to reach 60 in just over 11 seconds, and over 100 mph where the law allows. Touring consumption betters 30 mpg.

These cars are built to the highest standards by SAAB-SCANIA of Sweden, an acknowledged leader in advanced technology and precision engineering.

Within a few seconds the 3 door and 5 door Coupés can be transformed into real Combis, with:

53 cu.ft. of luggage space, over 6ft. long. Height from ground to floor is just 21 inches—and there is no high sill, so loading is easy.

As George Perry said of the 3 door Combi Coupé in the Sunday Times Magazine, 17th Oct. 1976:—

"Its performance was that of a sports car, its capacity for luggage better than many estates." Find out for yourself why the world's motoring press rates the Saab 99 Combi Coupés so highly—see your nearest Saab dealer for a test drive.

SAAB

One of the world's finer cars SAAB (Gt. Britain) Ltd., Fieldhouse Lane, Marlow, Bucks. SL7 1LY. Tel: Marlow 6977

PARLIAMENT and POLITICS

LABOUR NEWS

Tories hostile to proposed rating system change

BY IVOR OWEN, PARLIAMENTARY STAFF

OUTRIGHT REJECTION by the Opposition and some criticism from the Labour backbenches greeted the announcement by Mr. Peter Shore, Environment Secretary, in the Commons yesterday that the Government proposes to raise the domestic rating system to capital valuation instead of the current rental basis.

Strengthen

The Government intend, therefore, to strengthen the present financial machinery, to enable central and local government to fulfil their roles more effectively.

PM points to interest rates fall

THE DECLINE in interest rates, was probably "of greater significance than some increases in pay" to the living standards of many people, the Prime Minister said in the Commons yesterday.

Persuaded

He thought it was untrue to say that the change to capital valuation would necessarily have an adverse effect on the poorer areas.

Prices Bill concession

THE GOVERNMENT yesterday introduced a change to its Price Control Bill which means that any orders intended to control prices or trading practices for more than 12 months following Price Commission investigations, will have to be debated in the Commons.

Rees faces police pay criticism

BY OUR LABOUR STAFF

POLICE FEDERATION members are expected to react angrily at their annual conference next week to what appears to be the final statement by Mr. Merlyn Rees, Home Secretary, on their disputed pay rise.

Food colouring investigation

AN INVESTIGATION into the use of artificial food colouring in baby and children's foods was promised by Dr. Gavio Strang, Parliamentary Secretary to the Ministry of Agriculture, in the Commons yesterday.



Mr. Denis Howell, Mrs. Shirley Williams, Mr. Fred Mulley and (right) Mr. Laurie Patten, MP for Brent, with pickets outside the Granwick Film Laboratories plant in north-west London.

Post Office workers support pay curbs but with conditions

THE TRADITIONALLY moderate Union of Post Office Workers yesterday gave qualified support to a further round of wage negotiations.

Helicopter strikers seek wider support

AN ATTEMPT will be made to spread the Bristol helicopter dispute on Monday by blocking road and rail tankers leaving British Petroleum's Isle of Grain refinery in Kent.

Peace declaration in newsmen's dispute

THE 24-week long dispute over East Midlands Allied Press newspapers at Kettering—the longest in the history of the National Union of Journalists—was declared over yesterday.

Steel dispute 'threat to jobs'

JOBS AND companies in Wales are at risk because of the unofficial strike over pay differentials at the British Steel Corporation Port Talbot plant.

Miners warned deal hinges on efficiency

THE MINERS were told yesterday that the early retirement scheme they have promised, would have to be paid for by a significant increase in efficiency.

Dispersal plan to go ahead

THE GOVERNMENT yesterday announced its intention of going ahead with plans to disperse 31,000 civil service jobs in the region over the next seven years.

Call by peers for IBA to run fourth channel

SEVERAL PEERS suggested in the Lords yesterday that if there were a fourth TV channel it should be set up by the IBA.

Amin statement promised

THE GOVERNMENT will make a statement on whether President Amin will be allowed to visit Britain for the Commonwealth Prime Ministers' conference at a time which will best suit the interests of the Commonwealth, the Prime Minister told the Commons yesterday.

Steel dispute 'threat to jobs'

JOBS AND companies in Wales are at risk because of the unofficial strike over pay differentials at the British Steel Corporation Port Talbot plant.

Dispersal plan to go ahead

THE GOVERNMENT yesterday announced its intention of going ahead with plans to disperse 31,000 civil service jobs in the region over the next seven years.

Written Answers

TREASURY Mr. Patrick Cormack (Con., Staffordshire SW) Is the Chancellor of the Exchequer satisfied with the way in which the resources of the National Monuments are being used to acquire works of art of outstanding national interest?

Bullock plans delayed

GOVERNMENT PLANS to legislate an industry democracy are being held up, Mr. James Callaghan, Prime Minister, admitted in the Commons yesterday.

Miners warned deal hinges on efficiency

THE MINERS were told yesterday that the early retirement scheme they have promised, would have to be paid for by a significant increase in efficiency.

Dispersal plan to go ahead

THE GOVERNMENT yesterday announced its intention of going ahead with plans to disperse 31,000 civil service jobs in the region over the next seven years.

Next week's business

COMMONS business for next week will be: MONDAY: Debate on the Annan report on future of broadcasting; motion on Code of Practice on disclosure of information to trade unions for collective bargaining purposes.

Miners warned deal hinges on efficiency

THE MINERS were told yesterday that the early retirement scheme they have promised, would have to be paid for by a significant increase in efficiency.

BANK RETURN

Table with columns for BANKING DEPARTMENT and LIABILITIES, listing various financial figures and dates.

Handwritten scribble at the bottom of the page.

In search of a new rating system

BY COLIN JONES

THE CONSERVATIVES say more progressive form of taxation will abolish household rates when they return to office, while the Labour Government says that it will abolish household rates, instead of the present system of rates based on the value of houses and flats. So, either way, it would seem reasonable to assume that the present rating system will sooner or later be changed.

That, however, is the one certainty in this whole business, or what is still not widely realised is that the present system of rating assessments, which has been the basis of local taxation in this country for over 300 years (or even more if the medieval church is counted), is virtually on a point of breaking down. Indeed, the Valuation Office of the Inland Revenue, the organisation which is responsible for assessing the rateable values of properties, has more or less sensibly said that another valuation on the present basis would not be tackled. The reason of course is that years of government interference have virtually killed off the free market in rented houses. At the time of the last valuation in England and Wales in 1973, when just under 10 per cent of the total stock was rented in anything like normal open market conditions. In a special survey of rating areas, the Inland Revenue valuation officers and usable rental evidence for only 13,000 houses and flats of a total of more than 6,000 private dwellings—and by 1973, the usable 13,000 had to be post-war houses which now make up almost half the country's total housing stock.

With the Inland Revenue Valuation Office, the professional organisations concerned with valuation, and the Department of the Environment all coming out in favour of adopting capital values at the next revaluation in 1983 (after the Layfield Committee year ago nor Mr. Peter Shore, Secretary of State for the Environment, and his ministerial colleagues now can say anything other than fall into line. Indeed, from a Government's point of view capital values would have certain attractions. In the first place, they would be more volatile than house rents. In the second place, they would be more volatile than house rents. In the third place, they would be more volatile than house rents.

Capital value

On the other hand, switching over to capital values would pose some problems, not all of them obvious. It would, for example, subtly change the nature of rates as a form of taxation. Up to now, rates have been a levy upon a particular source of income, albeit one that is distinctly national in the great majority of instances. In future, however, rates would appear to take the form of a levy upon the capital value, or rather the potential sales value, of a particular asset—namely, the house in which one resides and which in many cases one owns. At the end of the day, of course, rates would still be financed out of disposable income. But then so are all other forms of wealth or capital taxes—among which local rates would in future seem to be ranked—and the change of nomenclature would be unlikely to make the rating system any more acceptable to the individual ratepayer.

TENNIS BY JOHN BARRETT

Memories evoked in 19 separate sets

THE DUKE OF KENT, president of the All-England Lawn Tennis Club, visited the club yesterday to open the Wimbledon Lawn Tennis Museum, which he described as a tribute to the imagination and hard work of the dedicated hand of enthusiasts who had conceived and built it. The Duke spent a couple of hours browsing among the 19 separate sections covering every detail of the game's history from its beginnings in Leamington to the present professional era. As one would expect, the club committee has produced a stately and dignified setting for any fascinating pieces of tennis memorabilia. There is, for instance, the beautiful silver cup which Reggie Doherty won in Hamburg in 1899 to mark the inaugural European Championships indoor courts which lasted only four years.

Another piece of nostalgia is a beautiful print of young Bill Johnston, an athletic attitude presented to Mr. J. G. Ritchie to commemorate his 1908 win in Olympic Games. Interestingly, the International Lawn Tennis Federation is now striving to have tennis reinstated as Olympic sport. Also on display are the twin cups presented at the inauguration of the men's doubles in 1884 and won approximately by the Renshaw twins. A tennis library dedicated to the memory of the late Lord Clyde of Dundee, a past committee member, and a small museum completes an ensemble which has cost some £250,000.

Yesterday also marked the publication of the official history of the Centenary Championships, Years of Wimbledon, published by Guinness Superlatives. An ambitious work chronicling the history of the All-England Club from the days when just was the chief pastime of the leisure classes to today's hectic atmosphere during its fortnight. My colleague Lance Tingay has the story with impressive clarity and warmth. He has also compiled, with the help of Alan Le, the draws from all the sponsorship meetings since the opening of the club. The names of all the champions, dates of all the championships, 3.50 it may deter all but the most ardent tennis fan. The 256 pages will be enough for the most avid tennis fan. Tomorrow the museum will be open to the public and I shall be surprised if it does not become a regular mecca for tennis fans from all over the world. It is something for every tennis fan to see. A reconstruction of the original men's changing room at the Worple Road ground, completed in 1900, is also on display.



The Duke of Kent: praise for imagination and dedication.

grammes, pieces of jewellery, and a full range of ancient rackets are presented in well-designed show cases. Life-size figures of big Bill Johnston, William Renshaw, Fred Perry, Dorothea Lambert Chambers, Suzanne Lenglen and Helen Wills Moody, guard the central area surveying with steely glances the mortals who throng to pay their respects. There is even an of those old wireless sets with a recorded commentary by H. E. T. Wakelam on the 1934 men's singles final when Perry beat Jack Crawford of Australia. Nostalgia indeed, for this was the last year when the men's and women's singles—and Colonel R. H. Brand's commentary on Miss Round's final moments of triumph against Helen Jacobs are faithfully reproduced.

The exhibit which moved me most was a simple gravestone transferred from Rhyssant Hall, 3.50 it may deter all but the most ardent tennis fan. The 256 pages will be enough for the most avid tennis fan. Tomorrow the museum will be open to the public and I shall be surprised if it does not become a regular mecca for tennis fans from all over the world. It is something for every tennis fan to see. A reconstruction of the original men's changing room at the Worple Road ground, completed in 1900, is also on display.

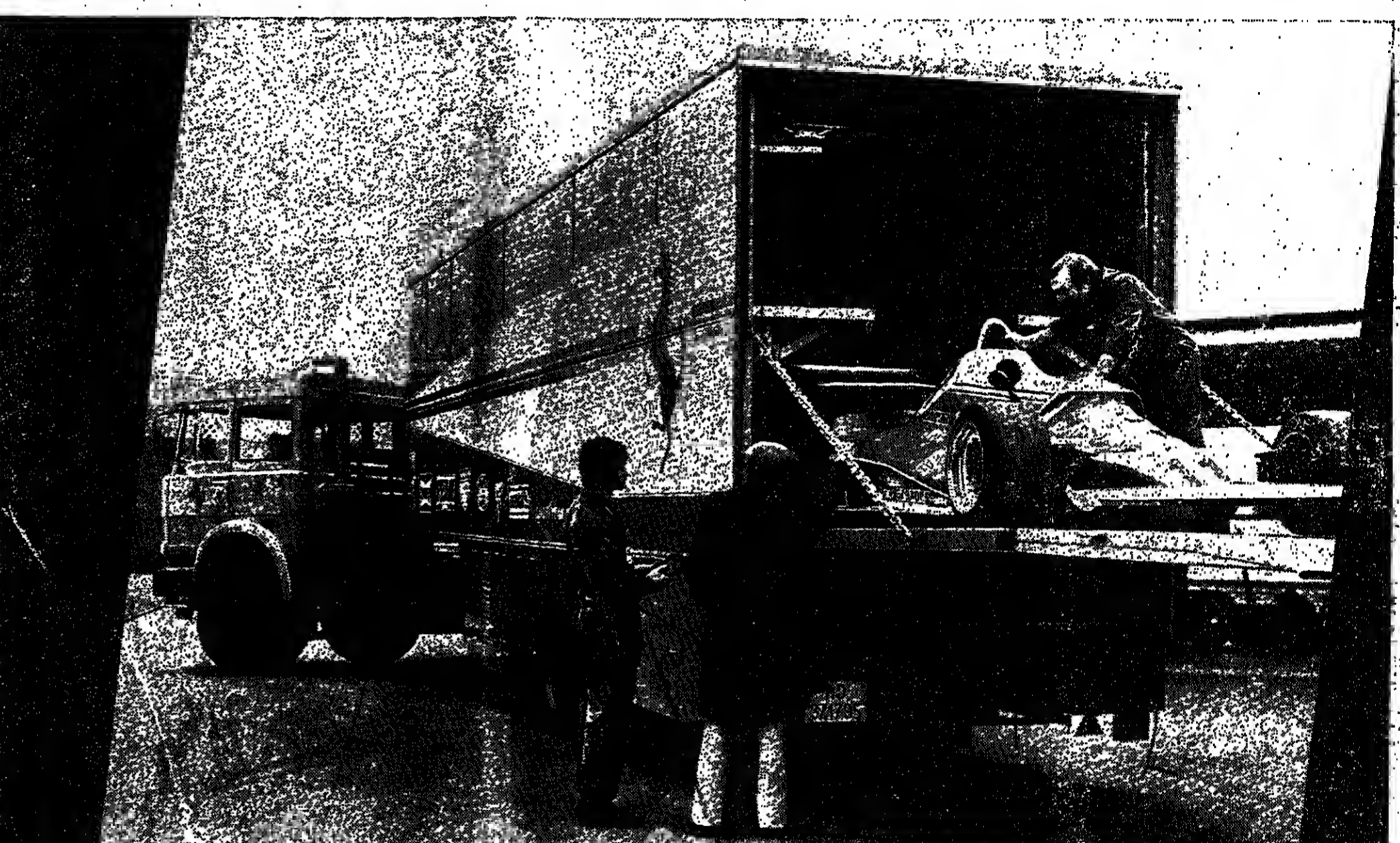


Mr. Peter Shore, Secretary of State for the Environment.

ing under their greatest difficulty. In the first place there is no way of discovering precisely what differences the change-over would make until the first valuation lists were drawn up and made publicly available (in, on present calculations, 1982-83). The Rating and Valuation Association, the Inland Revenue Valuation Office, and the Department of the Environment have all carried out sample surveys at different times since 1972. But the relationship between capital values and rental values is a changing one. The relationship will be at one level during a housing boom and at another level during a slump. The relationship between house prices in different sectors of the housing market or in different parts of the country also change over time. So the particular relationships between capital and rental values which have emerged from the studies so far made are unlikely to be precisely the same as those which will apply in the early 1980s. But certain broad conclusions can be drawn from existing studies and they form the second reason why it may not be easy to muster universal support for the adoption of capital values. For, although the occupiers of the most expensive properties—particularly in rural areas—are likely to be course be phased over several years so as to soften the blow especially for the worst-hit rate payers. The rent rebate and social security systems might be able to find their share of the local distributive effects at the lower rates burdened sharply increased, and of the housing market. And, in order permanently to soften the impact upon certain regions, Ministers might well decide to tinker still further by normal open market conditions. It is not easy, for example, to find houses priced at less than £10,000 in the Greater London area yet one can find many with a very low rateable value. Even so, it is questionable whether these and other adjustments would make the adoption of capital values any more acceptable to the public at large. A change of some kind may now be unavoidable. But public tolerance of the rating system is still slowly recovering from the triple blow imposed by the 1973 revaluation, inflation, and the insensitive changes imposed by the present Government immediately after taking office in 1974. The prospect of another drastic upheaval so soon might prove fatal, especially with the Conservatives apparently sticking to their "commitment" to do away with domestic rates.

More harshly

For the same reason—and also because the paucity of rental evidence may have prevented recent valuation lists from reflecting changes in market trends—some parts of the country would be more harshly affected than others, it would tend to be the assisted areas which would come off worst. This, moreover, is looking at the likely changes in incidence over a very broad canvas. Within individual areas or within particular sectors of the market, the changes would be even more marked.



HOW DOES A FERRARI GET ROUND THE WORLD WITHOUT TOUCHING THE GROUND?

The Ferrari travels by Fiat 170, the fastest heavy haulage vehicle ever produced by Fiat.

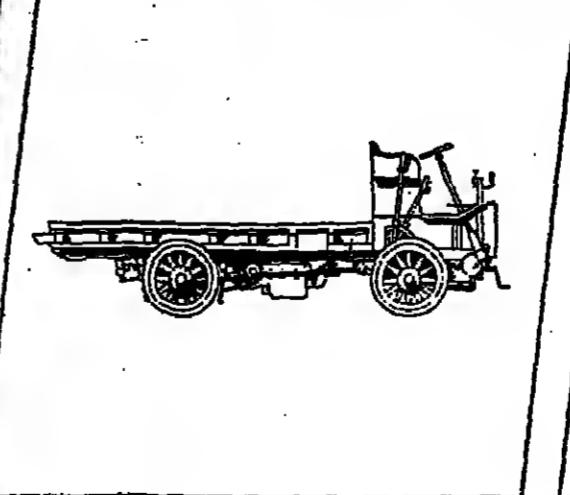
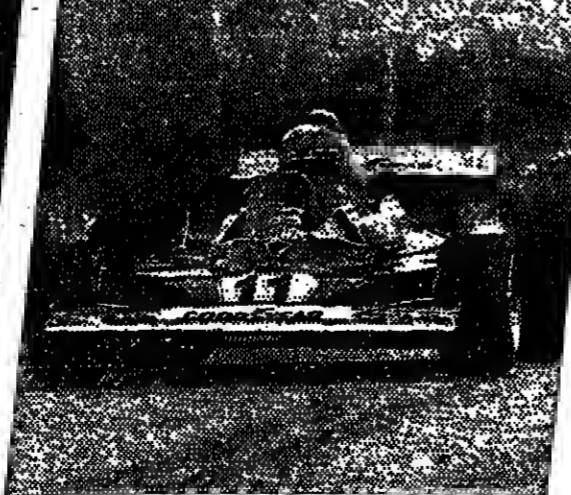
From Brands Hatch in Britain it's taken to Jarama in Spain, Monaco, Belgium, Austria and then on round the world, fast and safe in the Fiat custom built transporter— together with tens of thousands of pounds worth of equipment—to every starting grid on the Formula One circuit.

Since the first Fiat truck was built in 1904 (the 24 HP below), Fiat has grown into an international group producing hundreds of special purpose vehicles of which the Fiat 170 is only one example.

We are constantly expanding our range, and bringing out new models to ensure maximum profitability for operators in every field in which we specialise.

Today, Fiat are famous across five continents for technical innovation and for research into special transport problems.

As part of the Iveco group of companies, Fiat Commercial Vehicles can offer the resources of over 3,000 sales and service dealerships in 112 countries throughout the world.



Fiat trucks mean better business.

FIAT Fiat Commercial Vehicles Limited.



FINANCIAL TIMES SURVEY

Friday May 20 1977

Curtain
ising
in new
cene

Catalonia

By unhappy coincidence, next month's general election in Spain — the first for 40 years — comes at a time when the country is in the throes of recession. For Catalonia, long one of the leading industrial regions, the cross-currents of politics and economics may hinder its traditionally nationalist aspirations.

Roger Matthews
Irish Correspondent

EEPING generalisations with the bland confidence men who knew they could be traduced but not disproved a common currency during 36 years that General Franco ruled Spain, 18 months after his death, harsh realities of facts and sensible evidence is threatened to take over, and nowhere the country is this likely to have more impact than in Catalonia.

Two years ago anyone could have said anything they liked about Catalonia, in private or in public. Members of the Government said that the streak of independence from Madrid had been broken during the early 1970s by an aberration provoked by technocrats and communists and that Catalonia was now passive, obedient, and only too happy to enjoy the consumer fruits emanating from the centre. Other politicians waxed eloquent about the day descending on the bell towers in which the War would sweep down and again occupy the plains of the homeland. The Madrid ministers did not need to consult the population of Catalonia or the local politicians could

During the three and a half years that this situation persisted the central Government tried its best to ensure that the remaining sparks of Catalan nationalism were finally snuffed out, while the four provinces that make up the region maintained their position as one of the three leading industrial centres of Spain and grew in line with the huge economic counts there is little to distinguish Catalonia from the rest of the 1970s. Catalonia

prospered and although it has just about 15 per cent of the population of Spain it receives nearly a quarter of the country's income. Tucked into the north eastern corner of the Iberian peninsula bordering on France, and benefiting from a centuries long mercantile tradition, the visitor is assured that Catalonia is by definition the most outward looking and European part of Spain. It is also said to be thoroughly prepared for a return to democracy and would like to see that notable step accompanied by a return to autonomy, with its own parliament, such as was enjoyed briefly before the Civil War.

Prosperous

But Catalonia is not the same place that Orwell paid homage to, and some militants of the 1940s and 1950s are now the paunchily prosperous of the 1970s. For two-thirds of the Catalan population the Civil War is no more than a recent history and another important proportion are relatively recent immigrants who do not speak the local language even if, perhaps, many of their children do. In the sprawling, ugly, ill-served and densely populated industrial suburbs that have sprung up especially around Barcelona, the accents of Andalusia are far more prominent than Catalan, and by all accounts with the huge economic counts there is little to distinguish Catalonia from the rest of the 1970s. Catalonia

his treatment of workers from his counterparts in Madrid, Seville or Bilbao. This does not necessarily suggest that Catalonia has become more "Spanish" since 1939, only that the problems of one region often tend to be the problems of the other and that what is difficult to distinguish is the extent to which hostility towards the central Government springs from a desire for autonomous government per se or is simply reaction to the political repression and economic control of the Franco era. During the next few years, the Spanish army will be what Catalonia and the Government in Madrid are going to find out. The first step will be taken on June 15 when Spain goes to the polls for the first time in more than 40 years. King Juan Carlos and his Prime Minister, Adolfo Suarez, deserve the praise they are receiving, although it should not be expected that this first test of public opinion will be entirely fair or free from different types of manipulation. With the Government itself effectively a protagonist it will not have too much time to be an unbiased referee.

The tragedy for Spain, as it was in rather different circumstances for Portugal in 1975, is that a delicate transitional phase has been accompanied by a severe economic depression. Political expediency or conviction prevented Dr. Salazar putting the Portuguese economy on to a sounder footing, just as

the last governments of General Franco either did not see or did not know how to react to the deep effects of the 1973 oil price rises. Since Juan Carlos came to the throne enough voices have been raised in warning, but a cabinet absorbed by politics and without an economist in its ranks, nodded apparently comprehendingly but did nothing. The country is going to have to pay a very high price for this failure, which will impede not just the birth of a more democratic system but probably some of the deepest aspirations of Catalan politicians.

Tragedy

The facts are almost frighteningly simple. Spain's inflation rate is running at over 20 per cent, and may climb more sharply this year. It imports nearly twice as much as it exports, leaving a current account deficit last year of \$4.3bn, compared with \$3.5bn in 1975. Gold and convertible foreign currency reserves have tumbled from nearly \$7bn in 1975 to just over \$4.5bn, while total foreign indebtedness has risen from next to nothing to approaching \$12bn. Industrial wages are rising at nearly 30 per cent, on an annual basis, investment has declined sharply both from domestic sources and from abroad, export prices are beginning to feel the pinch of competitors' lower rates of inflation, while the two principal invisible earners, tourism and workers' remittances, are both

dropping steadily in real terms. Occasional flickers of light appear but nothing that offers any significant hope for the cure of these deep-seated structural problems, or to check what is certain to be a politically dangerous rise in unemployment from the present 6 per cent level.

Catalonia benefited from the boom without the real representation at the senior levels of government, and one or two of its politicians, elected on June 15, may be offered the task of helping to deal with the depression. It is not an offer that might seem likely to further anyone's political career, and only the most self-sacrificing Catalan would consider accepting. And self-sacrifice has scarcely seemed the strongest Catalan quality in the past few weeks as personalities clashed, alliances broke and reformers over who should head which electoral list, with the result that contrary to expectation there is far from one united Catalan front fighting for the rights of the "nation". Instead the line-up of parties and alliances in Barcelona, which elects the single largest numbers of deputies for the lower house of the new parliament, is also one of the country's most confused and baffling for the elector. Again the activities of Madrid, and particularly Prime Minister Suarez, receive a large part of the blame, but there is no denying that the much

vaunted Catalan unity has at least temporarily foundered on the rocks of personal ambition. This is also in at least part due to the Prime Minister's pragmatism. One of the reasons for his success to date is that he can appear all things to many divergent men and seemed at one time to offer real hope of genuine progress towards some form of autonomy for Catalonia, even if it could not immediately be on the basis of the 1932 Statute passed under the republic.

Starting

As a starting point he offered a General Council of Catalonia, which provided for marginal "devolution", but warned that "certain forces" — hinting at the military and other members of the Francoist establishment who still remained — would not tolerate anything more at this moment. The outcry by senior army generals and the resignation of the Minister of the Navy over the Premier's decision to legalise the Communist Party added weight to his words, as separatism or autonomy is as ugly a word in the military man's vocabulary as Communism. Catalonia was also fiercely republican before the Civil War and indeed right up in its defeat by General Franco's forces, a memory that lingers on.

switching of power away from the centre and towards the provinces. However, many political parties fighting next month's elections have as part of their programme the restoration of some autonomy for Catalonia, the Basque provinces and Galicia. Obviously these are the more Left-wing parties, which according to recent public opinion polls are likely to do better than first expected. If the new two-chamber Cortes (parliament) is a truly constituent assembly charged with drawing up a new constitution then this issue could become one of the major stumbling blocks, with the anticipated majority coalition of Senor Suarez probably being forced to look for support from its hitherto Right wing enemies. In the meantime there is the possibility of municipal elections, a potentially more dangerous prospect for the advocates of strong centralism, since for the first time this will put into power in the regions people who will be keen to stand up to Madrid. Until now virtually all municipal councils have been mere echoes of their masters' voice in the capital. And for some Catalan politicians who could walk large on the national stage the chance of becoming Mayor of Barcelona would be far more tempting.

The experience of the last 50 years shows that the man who stayed at home is no kindly remembered by Catalan historians than the one who went away to fight in Madrid. An hourly air bridge between Madrid and Barcelona has apparently done little to persuade Catalan politicians that this need no longer be so, and the municipal elections, when they come, are likely to prove it. Despite the election of a new parliament and because of the real seriousness of the economic situation the chances are therefore eventually for a shouting match between the Catalans from behind their borders and the Government firmly anchored in Madrid. Tough economic measures will tend to weight in demands for autonomy before they resolve themselves into the more straightforward ideological battle. It is difficult to see how some very Catalan politicians can claim that the four provinces can be economically self-sufficient, but it is the sort of parrot cry which wins adherents in moments of stress. And Madrid has with greater of lesser reason been so consistently blamed for all Catalonia's ills than a mood of self-examination is still way below the horizon.

Other external forces are also sure to influence the future of Catalonia. The problem in the Basque provinces is far more acute than in the north east and brings with it persistent violence coupled to basic questions over law and order. What Catalonia achieves the Basques will demand, and vice-versa. The population of Galicia will not be far behind, and then there are the Andalusians, the Valencians and, as the present Prime Minister would warn, "we have a total break-up of Spain."

Crucial

Therefore next month's elections are going to be crucial, not because initially they will reveal strong movements for autonomy but because of the men they will send to Madrid. Perhaps the threat of the military is just a convenient shield for the present Government to hide behind. Evidence indicates that it is rather more than that, especially in the case of the Catalans and the Basques. Therefore the most vehement Catalans that are elected on June 15 have a very strong duty to their electorate not to offer them something which could push the country towards tragedy. Equally Senor Suarez has to be dissuaded from believing that the elections are a solution to anything. They are not. They are a beginning for everything.



BANCA CATALANA
BANCO INDUSTRIAL DE CATALUNA
Headquarters in Barcelona

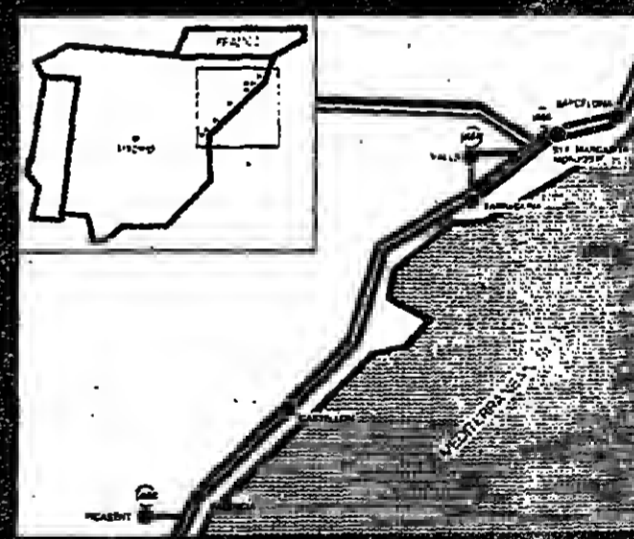
Banking Group

BANCO DE BARCELONA
BANCO DE GERONA
BANCO MERCANTIL DE MANRESA



Bilbao
CATALUNYA
Barcelona
Madrid

	PERCENTAGE OF SPANISH TOTAL
Working Population	17.1
Total Exports	21.2
Industrial Exports	30.9
Gross National Product	20.2
Industrial GNP	25.2



INDUSTRIAL AREAS IN SANTA MARGARIDA-MONJOS (BARCELONA)

VALLS (TARRAGONA)

AND PICASENT (VALENCIA)

With the cooperation of **BANCO INDUSTRIAL DE CATALUNA**

We are since long industrial land developers in Spain. Our grounds are provided with all the basic facilities an industry needs. This explains why our last development in Santa Margarida - Monjos, launched only 36 months ago, is now almost entirely sold.

We offer industrial grounds along the whole mediterranean coast of Spain.

Besides tax exemptions and rebates, our industrial grounds offer complete technical equipment, a large amount of services and exceptional locations: Santa Margarida - Monjos (Barcelona), Valls (Tarragona) and Picasent (Valencia).

If you choose any of our industrial land to build your factory, you will benefit from the advantages of being in a booming area: the Spanish mediterranean coast.

WE ARE EXPERTS ON INDUSTRIAL AREAS

Please send me more information on the following industrial areas:

SANTA MARGARIDA - MONJOS VALLS PICASENT

Mr.

Company

Address

prominca s.a.
Sant Joan de Vilatorrada, 11 - 08100 - Tel. 035 324200 or 316 6688
Barcelona - Spain

CATALONIA II

Caught in economic trap

SOCIÉTÉ GÉNÉRALE
de Banque en Espagne

HEAD OFFICE:
Paseo de la Castellana 36-38
Madrid-1. Tel: (91) 446 1000

ALICANTE
Rambla Méndez Núñez, 62
Tel. (965) 21 5861

BARCELONA - 9
Via Layetana, 162-164
Tel. (93) 215 6400

CARCAGENTE (Valencia)
San Antonio, 1
Tel. (96) 243 0500

JEREZ DE LA FRONTERA
Avda. Alvaro Domecq, 4
Tel. (956) 34 1100

MADRID-14
Alcalá, 30
Tel. (91) 232 8237

TARRAGONA
Avda. Conde de Vallablano, 119
Tel. (977) 22 0254

VALENCIA-2
Pza. del Caudillo, 27
Tel. (96) 221 4568

ZARAGOZA
María Augustin, 25
Tel. (978) 21 7230

Branches to be opened during 1977: La Coruña, Vigo and Sevilla.

SUBSIDIARY OF:
SOCIÉTÉ GÉNÉRALE
PARIS

AT YOUR SERVICE ALL OVER THE WORLD
MEMBER OF E.I.B.C.
(EUROPEAN BANKS INTERNATIONAL COMPANY)
Banco de España authorisation No. 11.410

AS MOST Catalan economists agree, there is little to be gained in the short term by discussing their region's economy as anything but an integral part of the Spanish whole. Even those who insist on always using the word "nation" instead of "region" have to accept that until there are more radical changes in the political structure of the Spanish state, and even if the dreamed-of autonomy is achieved, Catalonia is and will be critically dependent on the overall economic health of the Iberian peninsula. Of course, there are Catalan differences, which can argue both for and against, the chances of a federal Catalonia within the Spanish state performing substantially better or worse than the national average, yet these arguments have to rest at present on claims based on the presumption that Catalans will be significantly more adept at managing their own affairs than is the Madrid Government.

the problem will not be that the seriousness of the situation has escaped the attention of the Government, but that the majority political forces in the new parliament will expend even more valuable time failing to agree on possible solutions. During his recent visit to Mexico and the U.S., Prime Minister Adolfo Suarez, who confidently expects to remain in his job after the elections, told bankers that an economic plan was already being prepared and would be introduced soon after the new parliament met.

in the price of oil imports should have worked themselves through, very little has been done to try and check the secondary effects of the almost perpetuating cycle that they helped to trigger off. Spain also started from a higher inflationary base than many other industrialised countries, a factor that it was able to support during the 1960s and early 1970s by the relatively high growth rates that it achieved.

Yet the causes are even more deeply rooted than in those two countries and the possible solutions of extreme economic and political difficulty. Spain imports nearly twice as much as its exports, it has very limited natural resources; its labour force is neither so disciplined nor so cheap as it was five years ago; it can no longer count on invisible earnings such as tourism and workers' remittances from abroad contributing to the same extent as they did during the 1960s; and to these has to be added the inevitable uncertainty of the democratic process.

Many Catalans appear to believe that with autonomy, which would include an important degree of control over their financial affairs, the future would be far more positive. They stress their European vocation, the weight of exporting industry in the region, the commercial instinct of Catalans, their capacity for work and above all else, the inevitable upward surge that would accompany the removal of Madrid's "dead hand."

But as one of Spain's wealthiest regions it is unlikely that Catalonia will be allowed to wriggle even partially free of the grip of the country's financial system without other more profound changes first taking place. Many of Spain's largest industries, especially those controlled by the State holding company INI, sustain a diet of cheap and plentiful

Aware

Although this may not smack of particularly democratic government, it does indicate that the Premier has become acutely aware of the need for substantial international goodwill, and, more concretely, international financial support during the next few years. The hope that a sharp revival in economic activity among the major Western industrial powers would lift Spain out of its depression has largely dissipated. It is still urgently needed but there is recognition that it is only happening very slowly and that at least some purely domestic solutions have to be found. Above all else inflation has to be tackled. Without positive success in stemming the persistent rise in prices there is little hope of checking either the still widening current account deficit or the increase in unemployment that threatens to become a source of social and therefore political tension. Spain is very close to heading the OECD league table for inflation, with a rise of nearly 20 per cent last year and a further increase of more than 3 per cent in January. February's rise is understood to have been in the region of 2 per cent, and according to a survey carried out by the Confederation of Savings Banks 93 per cent of those people questioned expected prices to go on rising this year.

Attraction

Being subject to IMF conditions is not a prospect that cheers many Catalan economists, but for the central Government it has the attraction of presenting unpleasant medicine in the guise of international pressure. The fear is that abrupt stabilisation measures with a sharp grip on the rate of money supply increase, now running at about 21 per cent, could push the economy into a tail spin which would leave democracy and Catalan autonomy among the first victims. It would simultaneously further depress the jobs market, causing a fresh impetus to the rising unemployment trend where the level of recent wages awarded is beginning to have a marked effect.

Reform

Neither message will be easy to get across, but without some form of social pact that includes a strong dose of fiscal reform it is difficult to see how progress can be made. But progress there has to be, because without it the dictates of the International Monetary Fund loom ever closer. Spain's current account deficit last year of \$4.3bn. was the highest as a proportion of gross national product of any OECD member and came after a deficit of \$3.5bn. the previous year. Forecasts for this year fall between these two limits, with some pessimists even suggesting a further rise. This has forced Spain out increasingly into the international markets and pushed the total foreign indebtedness to nearly \$12bn., with substantial further loans being negotiated.

Continued

Although the Government has sought both to make it easier for companies to shed surplus labour and to take on workers without onerous contractual obligations, the net effect of the measures has not resulted so far in any noticeable shift in labour resources desired by those who are looking for some basic restructuring of the economy. Catalonia particularly needs this transfer of resources from industries such as textiles, where with exceptions, efficiency of scale has not been achieved, to more technologically advanced sectors. Nationally, unemployment stands at about 800,000, or 8 per cent of the total workforce, but due to the difficulty of acquiring statistics those economists suggesting a figure of nearer 1m. also have an audience. Catalonia has remained below the national average and will probably continue to do so because many of its industries produce consumer goods, and it is consumption that has been fuelling the modicum of growth achieved in the past two years. However, an effective wages and prices policy is going to bring the recession to Catalan industry with much greater force than felt so far, and it could be even more serious if the Government makes inroads into the traditional middle class pastime of tax evasion. This also will have to be done without having any further depressive effect on investment, which while suffering from a "wait-for-the-result-of-the-elections" mentality, yet more cash into areas such as property and away from manufacturing industry.

Continued

To some extent the vicious spiral in which the Spanish economy finds itself trapped is not significantly different from the problems experienced by Britain and Italy, for example,

CONTINUED ON NEXT PAGE

Torras Hostench, s.a.
Empresa del Papel Integrada
INTEGRATED PAPER CONCERN

* In 1864, TORRAS HOSTENCH, S. A. installed their first paper mill. At present, with the help of about 3000 people and starting from their own forest plantations, with more than 16,000 hectares in Spain and 45,000 in Brazil, they operate eight 1-40 to 5 m. trimmed width paper machines strategically situated throughout the country. Integration is completed with paper converting, agglomerate, wooden manufacture and corrugated board plants.

* Branch offices throughout the world.

* If you like to have our Annual Report please apply to Departamento de Información y Relaciones.

CENTRAL OFFICE
Avda. José Antonio, 678 - BARCELONA-10 SPAIN
Tel. 316 31 00, 52 555 THSA E. TORRASPAPEL

COMPANIA NAVIERA MARASIA, S.A.

Regular services from the Spanish Mediterranean and Northern Spanish Ports to:

PACIFIC COAST OF SOUTH AMERICA
— SOUTH AFRICA — EAST AFRICA —
WEST AFRICA — AUSTRALIA (fully containerised)
— Singapore and Malaysia.

Barcelona: Paseo Colón, 23
Tel: 54579
Phone: 3180182
Cables: MARASIA

Madrid: Serrano, 43
Tel: 275603
Phone: 2751460
Cables: MARASIA

IBER — CONSULTING, S.A.
International Management Consultants

I-C is formed by a team of Harvard Business School graduates with wide experience in the Spanish market and based in Barcelona.

I-C collaborates with the Economist Intelligence Unit Limited, a subsidiary of "The Economist."

Among its services:

- Investment studies
- Mergers and acquisitions
- Market research
- Management selection and development
- Organisation development
- Intra-company training
- Strategy formulation and implementation

IBER-CONSULTING, S.A.
Lauria, 119—Tel: 215.56.89—Barcelona—9

VICORQUIMIA S.A.
JUAN SEBASTIAN BACH, 7 BIS 2º A
BARCELONA-6

Telephone 321.75.00 - Telex: 53136 VICORE

Import and Distribution in the Spanish Market of Raw Materials for the Chemical, Food, Pharmaceutical and Cosmetic Industry

REA steel

Artbau, 200, 3º - Tel. 226 26 04 - Barcelona-11
Telex 52614 Rea e - Teleg. CATALORNOS (Spain)
C. Prado, 4 - Tel. 221 64 05 - Madrid-14



INTERNATIONAL CORPORATE FINANCE

- medium term eurocurrency finance
- trade finance
- project finance
- mergers and acquisitions
- investment consulting

BS
BANCA MAS SARDÀ

BARCELONA, 11 Avda. Generalísimo Franco, 453 bis
Phone (93)239.72.00—239.72.03 Telex 52702 banma e

MADRID, 4 Génova, 17
Phone (91)410.36.07 Telex 43797 baex e

BANKERS IN SPAIN SINCE 1844

10/100 1250

CATALONIA III

Confusing range of political options

JUST OVER three weeks willing to subjugate their own interests in the four provinces individual ambitions in order to comprise Catalonia go to present a less confusing picture to choose 47 members choice for the electorate.

Of course, after four decades of an imposed political alliance, the Congress (the Lower House) and 16 Senators. Bar of an imposed political alliance, the Congress (the Lower House) and 16 Senators.

Caution

In the meantime something is known about many of the candidates running for the June 15 elections—ever if the traditionally applied labels of Right, Left and Centre can only be used with the greatest qualification and caution.

Caught

CONTINUED FROM PREVIOUS PAGE

credits that are raised by creaming off deposits from the savings banks and to a lesser extent the commercial banks, Catalonia plays a vital role in this process, a constant irritation to the business leaders and bankers in the four provinces, who see the region's capacity for thrift being squandered inefficiently in other parts of the country.

Roger Matthews

alimentaria salón internacional de la alimentación

8th.—14th. April 1978

The Barcelona International Food Trade Fair is already underwritten by the great success it achieved in 1976. Next year, with display stands 52,000 square metres in area, it should be even better.

- A major exhibition completely dedicated to professional people in the food industry.
● A meeting place for buyers and sellers from all over the world which will form an international business centre and a launching pad for new products and new markets.

For information contact: ALIMENTARIA, AV. MARIA CRISTINA 5/N, BARCELONA-4, SPAIN. TEL: 223 3101, TELEX 53117 FOIMB-E.

OF INTEREST TO INVESTORS!

The Spanish property market represents a magnificent and sure investment because of the many varied characteristics of the properties available.

Our organisation offers you the necessary help in assessment through our projects and services, which will help you to get the maximum profit from your capital.

Mr. Ros will be pleased to give you further information - Telephone: 218 85 00



to account the question of offers an attractive blend of autonomy, another complication to what is already sure to be a confused Parliament. But man with a reputation of having at least until June 15 the long fought for their beliefs politicians will be sufficiently occupied trying to beat a path to Madrid, a process to which the 11th-hour intervention of a candidature supported by Prime Minister Adolfo Suarez has added yet more rumblings against the intervention of central government.

If it is accepted that the Catalan electorate is basically moderate and liberal with a strong dash of Socialism, and fender of Catalan claims, the will be looking for a party which will seek to pursue progressive economic and social policies combined with a firm well known list of candidates but still pragmatic approach to it.

For the uninitiated, merely reading party propaganda, it seems as if almost all the parties have reached the same conclusion. Ministers who under General Franco supported the jailing of Catalan nationalists now sound almost like their erstwhile victims who themselves, faced by an electorate that is only half Catalan-born, are moderating their former strident demands. But beneath the publicity gloss the differences are sharp and will be seen to be so once the new Parliament gets under way.

The principal upholders of the virtues of the traditional Spanish Right-wing are the Popular Alliance, a Madrid-based party which has allied with some Catalan friends in an effort to give it a regional bias.

The Socialist alliance is presenting a fairly strong list of candidates and has the advantage of being able to suggest that it has some Catalan roots while also appealing to the workers who have come to the region from other parts of Spain. Its detractors say it will suffer by being seen as a mere local branch of the main PSOE, but recent opinion polls have suggested that it will show strongly.

The Communist Party may also score above the national average. It is extremely well established in Catalonia and although the very last political turnout for its first political rally in Barcelona, the moderate Euro-Communist image sought by the main party leadership in Madrid is better accepted in Catalonia, where the Communists have been working relatively closely with other political forces for some time.

Apart from these two potentially strong vote-getters there is the Catalan Popular Socialist Party, which appears to be aiming its campaign principally at immigrant workers, the Workers of Barcelona party and the Popular Unity of Socialism that seems to comprise candidates from those parties that have not been legalised and are being forced to stand as independents. On the far Right there is the National Alliance of July 18 and the "authentic" Falangists, white between the two extremes are other Catalan, Social Democrat and lesser known groups which make up the grand slam of 23 lists from which electors have to choose their Congress and Senate representatives.

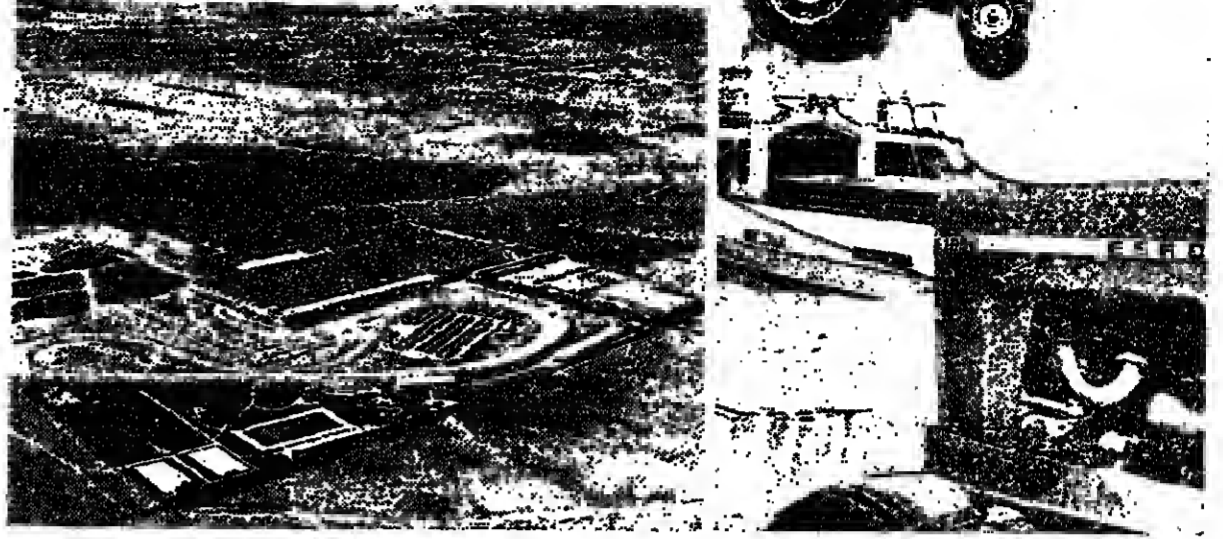
In the other three Catalan provinces of Gerona, Lerida and Tarragona, which have five, four and five Congress deputies respectively, there is a choice of between nine and 12 lists of candidates. Although the voting pattern is not expected to vary widely from one province to another, there is the prospect in the less industrialised parts of Catalonia of the conservative forces faring rather better.

In all, Catalonia presents an initially confusing range of options that will almost certainly result in the elections being fought this time on the levels of personalities as much as parties and policies. Only after the results of the voting have been thoroughly analysed will it be possible to make a more accurate assessment of the strength of Catalan nationalism and whether this factor will tend to blur the more basic ideological differences between parties.

And with perhaps further general elections within 18 months to two years, depending on whether the new Parliament becomes a true constituent assembly, most politicians of the "Centre", especially will be seeking to leave open as many options as possible. It might not make for particularly well-defined policies but then only the totally ideologically committed want to run the risk of burning themselves on their first public outing for more than 40 years.

R.M.

Motor Ibérica sa A PROGRESSIVE COMPANY



Founded in 1920 with a small capital base, Motor Ibérica S.A. has settled right at the head of the companies involved in the Spanish Motor Industry.

Investments: 1,456,000,000 pesetas Points of sale in Spain: 523 Points of sale abroad: 264

Its Head Office and main plants are located in Barcelona, while the company also has major production centres in Madrid, Avila, Zaragoza, Pamplona and Cordova.

Motor Ibérica products under the EBRO brand name are mainly intended for the agricultural, transport and civil engineering sectors and the basic lines have total annual production figures of:

- 35,000 tractors
125,000 engines
20,000 light vans
25,000 lorries

In Spain, more than 41% of all tractors sold annually are made by Motor Ibérica, which also supplies 60% of the existing Spanish market for light vans and lorries.

Motor Ibérica also exports vehicles to more than 50 countries across five continents.

Some figures for 1976 quoted below will provide an idea of the size of the company:

- Total turnover: 23,323,000,000 pesetas
Surface area of plant: 1,300,000 square metres
Number of employees: 10,267

For information on EBRO products please write to:



Motor Ibérica sa

Expert Division,

Edificio Colón, Av. García Morato, 6-8, Barcelona, 1, Spain

The foremost private industry in Spain, with a turnover of \$1,100m. a year

SEAT CATALONIA'S INDUSTRIAL CATALYST

400,000 cars produced, 80,000 exported



SALES OF PASSENGER CARS IN SPAIN 900-1100 cc First Quarter of 1977



The SEAT 127 model, in 2/3/4 door versions is still the best selling car in Spain. It recently celebrated the production of its 700,000th unit.

At the recent Automobile Fair in Barcelona, the SEAT stand was quite striking with its 20 models. Out of all these, only two were identical to those made by Fiat: the two and three-door versions of the 127. All the rest were alterations, innovations or simply exclusive SEAT models, unparalleled in the Fiat range. As an example there was the 133, an intermediate model between the 128 and 127, a four seater that will shortly be built in Egypt under licence from SEAT. The four-door 127 and the Comarcal: the 134 Pamplona with 1200, 1400 and 1600 engines being built by SEAT at the former BLMC factory in Pamplona. The 128 SP, supplied by SEAT with 1200 and 1400 engines instead of the 1100 and 1300 from Fiat. The 131 models made by SEAT with 1438 and 1600, twin camshaft (93HP), 10 liter of the 1300 and 1600 (75HP). The 132 diesel with a Mercedes Benz 2000 engine, a technician not yet employed by Fiat, even on its prestige model. And above all, the 1200 Sport, designed by SEAT, the original work of their Catalan engineers at the Technical Centre in Martorell, a front wheel drive car of ultra moderno line with a low coefficient of aerodynamic penetration, which was recently unveiled at the Geneva Motor Show. The Barcelona Motor Show draws European attention to the strong local industry. SEAT was proud to exhibit its 1200 Sport which represented over 3,500,000 on the production line and, as a novelty, a 124 Pamplona with a 75HP engine and five-speed gearbox.

considerable extent on the rest of Catalan industry. It is estimated that out of a total of 500 SEAT suppliers, about 350 are situated in Catalonia, providing almost 50% of the company's requirements. Barcelona has become one of the main European ports for car exports. In the last five years, 800,000 SEAT cars have passed through it as exports, while several thousand more have gone to the Canaries, Balearic Islands and other distant points in Spanish territory, such as Sevilla, La Coruña and Bilbao, where sea freight is cheaper than rail. It is a familiar sight to see large shipments of Spanish cars bound for Denmark, Holland, Great Britain, Ireland, etc. in the extension in the Barcelona port, which is within about half a mile of the SEAT factory, Barcelona, 10 spots of its enviable Mediterranean sun, looks more like the German port of Bremen, the French Le Havre, or the British ports of Southampton and Dover.

The Spanish Motor Industry's capacity for adaption has enabled it to absorb the powerful impact of the oil and economic crisis on the Spanish market, to the extent that it was even able to host its domestic sales in 1976 to a level beyond the famous record year of 1973. Four SEAT cars pass the half million mark. Perhaps the "great secret" of the outstanding growth of the car's popularity in Spain, a ten-fold increase in the last 11 years, is due to the low prices that have been maintained, in spite of small production runs. Only four Spanish cars have ever passed the half million unit mark, and all of them, incidentally, have been SEAT models: the 600, the 850, the 124, and the 127. During the last six years, the Spanish motor industry has managed to hold down its price increases to under 35%. Other European manufacturers, and specifically the British, have seen their prices rise by over 70%. Although car prices in Great Britain increased by 21% more than the cost of living index between 1973-6, in Spain they rose by 27% less than the domestic cost of living index. At the same time, per capita income has grown more rapidly in Spain than in other European countries, thus stimulating the acquisition of consumer durable goods such as cars and home appliances. In fact, the salary level of a worker in the motor industry has grown in a short time from the equivalent of half a car to three cars per year. In other words, while 24 months' salary were necessary to buy a new car in 1960, it can now be done in only four months. This progress is daily quite evident in the Spanish streets or in the new motorways that are covering the country. This also means, by more than mere coincidence, that Catalonia, now criss-crossed with modern motorways, enjoys considerable advantages.

SEAT, Avenida Generalísimo, 146, Madrid, Spain.

THE BARCELONA STOCK EXCHANGE

A dynamic market at the service of the investors community.

A few weeks ago a leading London Financial Weekly evaluated the Spanish securities market in these terms: "time for a cool look at Spain."

Since then the position has not substantially altered. Politics follow their firm and steady trend towards democracy. Stock prices, after a protracted fall in thin trading, seem to have bottomed out and are staging a tentative rally from time to time. On the other hand, forthcoming annual reports are far better than expected. Price earnings ratios, which for years stood very high, are now conforming to international patterns and it is not infrequent for blue chips to sell at well under their net asset values. The position resembles that in London at the end of 1974 and a similarly dramatic upturn does not seem a remote possibility.

Indeed it may be well worth while to take "a cool like at Spain."

To that end, the BARCELONA STOCK EXCHANGE, true to its outstanding characteristics of alertness and efficiency, is well prepared to help any investors interested in Spanish securities.

Banco de Vizcaya

SPAIN
INCORPORATED IN 1901
HEAD OFFICE: GRAN VIA, 1 - BILBAO-1
CAPITAL: 10,143,938,500 PESETAS
RESERVES: 12,176,194,915 PESETAS
814 OFFICES IN SPAIN

Offices network in CATALUÑA
Regional Address:
Pl. Calvo Sotelo, 7 - Tel. 2305310 - BARCELONA
34 Metropolitan Offices in Barcelona City
98 Offices in Cataluña

INTERNATIONAL DEPARTMENT
Paseo de la Castellana, 114 - Madrid-6
Tel. 2746300/9 - Telex 22571 - 42382

INTERNATIONAL OFFICES NETWORK
LONDON BRANCH
75-79 Coleman Street
Tel. (01) 6284566/9 - Telex 885245/8
London EC2R 6BL

PARIS BRANCH
15, Avenue Matignon
75008 PARIS - Tel. (1) 3599832

NEW YORK AGENCY
400, Park Avenue - New York, N.Y. 10022
Tel. (212) 828-1540 - Telex 66199

REPRESENTATIVE OFFICES
MEXICO
Avda. Juárez, 4 - México, 1 D. F. Tel. 5850030

VENEZUELA
Avda. Francisco Miranda - Edificio Torre Europa
Planta "Oficinas" - Oficinas 7 y 8 - CARACAS
Tel. 334353 - 332508 - Telex 23532

A B E N 10811

A TRADITIONAL NAME IN CATALAN INDUSTRY

Hispano Olivetti, S.A.

The first factory established by the C. Olivetti Company outside Italy was built in Barcelona in 1929. This industrial centre soon achieved a substantial and specific importance within the Olivetti manufacturing organisation. The attainment of this prestige was undoubtedly a result of the high professional qualifications and strict scope of responsibility maintained by the Catalan technicians and skilled labour force. It was not, however, an automatic success. On the contrary, it came gradually and a great number of difficulties had to be overcome. From an incomplete production system and interdependent assembly lines, the Hispano Olivetti factory was able in 1955, only six years after its foundation, to manufacture independently, in 1942 a new factory, 8,000 square metres in area, was built. It was to be the basis of the present plant, which occupies more than 90,000 square metres and has over 3,000 employees. In 1967 the production of the whole Olivetti range of

portable typewriters was centred on Barcelona. This change was parallel to the manufacture of standard typewriters and calculating machines for the domestic market, and placed Spain amongst the main typewriter producers and exporters in the world, after Germany and Japan. Olivetti typewriters made in Barcelona are used worldwide in the most demanding markets. But the challenge of new developments made it advisable to introduce the manufacture of more sophisticated, high technology products to the major Catalan Olivetti factory, without surrendering the privileged position already enjoyed in the traditional office machines line. Therefore, at the end of 1974, in order to adjust its output to the growing demand for electronic products, Hispano Olivetti started to manufacture electronic calculators of the Logos series. It was the first time that machines of this type had been produced and assembled in Spain and it enabled Hispano Olivetti products to preserve their

continuity and general acceptability in the market, while adapting to the demanding requirements of progressive modern Spanish enterprises. Aside from its concern to cater properly for the needs of the domestic market through Comercial Mecanográfica S.A., the exclusive merchandising company for Olivetti products, Hispano Olivetti continues to devote a large part of its efforts to the export markets. This policy has been so successful that, according to official figures, Hispano Olivetti ranks third in the list of Catalan exporters. In spite of last year's well known market difficulties, almost 578,000 office machines were exported to more than 100 countries and turnover rose to almost 1,940 million pesetas. The distribution of exports to these countries or areas was as follows:

Italy	29.85%
Other EEC countries	25.40%
Other European countries	5.65%
U.S.A.	14.03%
Rest of the World	24.92%

HISPANO OLIVETTI S.A., BARCELONA, SPAIN

CATALONIA IV

Banks need to change

SINCE BEFORE the Spanish Civil War banking has been the Cinderella sector of the Catalan economy. In line with its general economic strength the region generates some 23 per cent. of overall bank deposits; but the largest Catalan commercial bank, the Banco Atlántico, was at the end of last year only 13th among Spanish commercial and industrial banks. To be set against this, however, is the relative strength of the cajas de ahorros, or savings banks, in the region. Barcelona-based savings banks rank first, fourth and seventh in Spain, according to volume of deposits. They collect 40 per cent. of Catalan deposits, as against 30 per cent. nationally. The largest of them, the Caja de Pensiones Para la Vejez y de Ahorros, had at the end of last year deposits of Ptas. 258,700, over half those of Spain's biggest bank, the Banco Español de Crédito, despite the fact that, like the other Catalan savings banks, the Caja de Pensiones cannot operate outside the region. Unfortunately, the very strength of Catalan savings banks helps to drain capital away from the region. The deployment of a large part of the deposits of all Spanish banks is strictly controlled by the Government. In the case of commercial banks, over 30 per cent. of their deposits are controlled by the Government, but in the case of the savings banks the percentage is some 70 per cent. In particular, 40 per cent. of their deposits go towards investments in enterprises selected by the Government, principally in enterprises of the State-controlled INI, in public utilities and heavy industry, all of which are poorly represented in Catalonia.

On the other hand, statistics do not support the claim that either the weakness of Catalan commercial banking, or the control over its funds exercised by the State, have led to a substantial flow of funds from Catalonia. At the end of 1975 an estimated 20 per cent. of commercial and industrial bank deposits were collected in the region, while some 22 per cent. of these banks' credits were granted there. This weakness of Catalan commercial banking has not always been so, dating in fact from the 1920s and 30s. During the last century the Banco de Barcelona played a prominent role in the country's banking system; until, after a period of steady decline, it foundered in 1920 because of imprudent speculation in D-Marks during World War One. Despite the shock of this collapse, another institution, the Banco de Catalunya, maintained a strong position throughout the 1920s. Political forces were the prime cause of its downfall: During the dictatorship of Primo de Rivera, its leadership maintained strong links with the Finance Minister, Calvo Sotelo. With the birth of the Second Republic, this was not forgiven, and when in 1931 there was a run on deposits the government let the bank collapse. From then on a succession of takeovers took the share of national deposits held in Catalan banks down to 2.86 per cent. in 1950.

The resurgence has been particularly marked in industrial banking, with some 23 per cent. of industrial bank deposits being held in Catalan-based banks at the end of last year. The largest Catalan industrial bank, Bank-union, which has traditional though now much weakened links with Banco Atlántico, was at the end of last year number 13 in the ranking for commercial and industrial banks as a whole. But there are now a number of signs that the Catalan banking resurgence may be running into difficulties. Most of the leading Catalan banks have in fact fallen back slightly in the league tables over the past couple of years. Banco Atlántico—the only Catalan commercial bank with real pretensions to be a national bank—ranked number 13 at the end of last year, with deposits of Ptas. 65,200, at the end of 1974 it was number 11. Banca Catalana, which unlike Atlántico has a strongly regionalist flavour, being virtually the creation of the prominent Catalan politician Sr. Jordi Pujol, was 17th in the rankings last year, with deposits of Ptas. 49,100, at the end of 1974 it was number 15. Its associated industrial bank, BIC, has fallen from 18th to 22nd place. Among the larger banks, only Sabadell has actually improved

its position, moving from 25th to 20th. One or two smaller banks, like Banca Mas Sarda, have maintained consistently high rates of growth, but their interest charges on this money are low. Thus the slightly over 12 per cent. of deposits that commercial banks have to invest in public debt earn 4.5 per cent.; the 12 per cent. they invest in special industrial credits, 6.9 per cent. Because the banks are paying substantially over the legal rates to attract depositors and have a substantial section of their money earning these very low rates, they have been forced into pushing up their interest rates for creditors substantially above the legal limits. This they do in two ways: by multiplying commission charges, and by requiring creditors to hold any thing up to 30 per cent. of the money they have been loaned in a deposit account paying 0.5 per cent. interest. This means that interest rates on 18-month, two-year loans, which officially are restricted to 9 per cent., may be anything up to 14 per cent.

This State intervention in the banking sector exacerbates the serious liquidity crisis from which Catalan industry is suffering. This in turn will make it very hard for any government to tighten the monetary rein to control inflation without causing large-scale bankruptcies. The conjunction of cheap credit for State-owned and other heavy industry and relatively expensive credit for most of the private sector in any case probably no longer corresponds to the needs of Spain as a whole. It is particularly bad for Catalonia, which has little heavy industry. It is likely that in the end economic necessity, if nothing else, will force a liberalisation of the Spanish banking system. But there are strong vested interests opposing it, interests which the system itself, by creating large sectors of industry accustomed to and dependent on cheap capital, has tended to strengthen.

One measure of liberalisation, however, which is likely in the next few years is the admission of at least some foreign banks to Spain. This Catalan bankers would on the whole welcome. There is no prospect of foreign banks competing in the service of the small and medium-sized companies with which Catalan banks are chiefly concerned, and their introduction might even provide extra business in the channelling of funds from foreign banks to smaller companies.

Contact with foreign banks would also provide a useful stimulus to Catalan banks—as it would to Spanish banks as a whole. Protected by the easy profits of the 1960s, these have tended to remain relatively backward, although developing competition is beginning to change this. The banks' quite critical role in economic development in Spain is emphasised further by the weakness of the country's three stock exchanges—Madrid, Barcelona and Bilbao. Of these, Madrid takes about 60 per cent. of total business. Barcelona is about 30 per cent. In the last three years share prices on the Barcelona exchange have fallen by around 50 per cent., and the market remains extremely depressed. This fall has only served to increase the serious investors' tendency to regard the stock market merely as a place for gambling, while the other factors which have stopped the stock market being a substantial source of industrial capital—the reluctance of companies to go public for fear that even the quite minimal disclosure levels involved would make tax evasion a little more difficult and the concurrent absence of proper financial information—remain unchanged. Until there is a wide-ranging reform of company taxation, the stock exchange is likely to remain relatively unimportant. The importance of the banks is also emphasised by the volume of Spanish industry which they own, probably somewhere between 40 and 50 per cent. However, a bank's stake in a business, is usually limited to around 15-20 per cent. and normally a bank would only take a majority shareholding on a temporary basis should a company be in difficulties. This significant but limited degree of ownership gives advantages for both bank and company. Given the difficulty in normal circumstances of getting accurate and sufficient information on a company, it means that a bank can keep an eye on, and have a share in decision-making of companies to which it lends money. For the company it means a measure of preferential and guaranteed access to credit. This is particularly important for the companies because of the tendency of Spanish commercial banks to shun to a very large extent in short-term lend-

ing, in particular six-month rolling loans. This is partly because so much lending in Spain is done on guarantee, and partly because of the dearth of accurate financial information on which to assess the long-term prospects of a company, rather than just whether it will be in a condition to repay a loan in six months' time. But it also reflects a certain lack of the will—and the competence, in particular of the professional personnel—to make proper company evaluations. In practice, roll-over loans tend to roll on and on; but somebody contemplating a major capital investment clearly needs something more than the probability that the bank will go on extending his loan. It cannot be said that in the past 15 years or so, the banking sector has served Spain badly. But in Catalonia in particular, industrial growth now needs to be—and has begun to be—selective and more sophisticated. For this kind of growth to be able to continue, a growing willingness and capacity to lend for longer terms and a better assessment of the prospects of a borrower are needed.

David Habakkuk

Disadvantage

Stimulus

THE BARCELONA CHAMBER OF COMMERCE INDUSTRY AND SHIPPING



groups 120,000 firms representing 20% of the Spanish National Output

The Chamber knows the business sector of the region and its staff of 100 people can facilitate your contacts in Spain.

The Foreign Trade Department gives information and assistance on import-export opportunities, transport facilities and national regulations. Can help you find the right customer, supplier or representative in Spain.

The Department of Studies can provide data on all you should know about the size of the market, the availability of land for your factory, cost of building, etc.

The Legal Department will inform you on legislation in force for setting up an industry in Spain, on customs, labour or trade marks.

The Computer Service provides concise information on many subjects.

The Publications Department publishes books on the current situation and analysis of the main aspects of the Spanish economy, together with four Reviews and Magazines every month.

Head Office: General Primo de Rivera 11, Barcelona 2
Telephone: 3023366

Telex: 54.522 COCN E and 54.713 COBA E

IN TARRAGONA, SPAIN. POLIGONO INDUSTRIAL DEL FRANCOLI

- 3.15 million square metres of flat terrain.
- 1.0 million square metres for private railway siding.
- Km. distance from: motorway 3, harbour 6, airport 2, railway 0, Tarragona 5, Reus 3, ENPETROL-oil refinery plant 4.
- Polygon services: Railway station, provincial container depot, electricity and gas, water, industrial waste and sewage treatment, telephone, telex, mail service, etc.

For information: Poligono Industrial del Francoli, S.A., Barcelona, Ronda Universitat 35. Tel: 318 5152.

BANCO CONDAL

Your bank in Barcelona
Friendly banking service for all international transactions
89 branches
Head Office and International area:
Via Layetana 69—Barcelona 3
Telephone: 318720/2416106. Telex: 54071
Telegrams: CONDALBANK
Affiliated Bank: Banco Peninsular, Madrid

MOLINSA S.A.
LONDRES, 37 ENTRESUELO 5
BARCELONA—13
Telephone: 230.53.36 - Telex: 516841 VER-E
Grinding of all kinds of minerals and mesh sizes, including microsilica. Specialist in very hard minerals. Grinding technique through air pressure. Full guarantee of non-contamination.

Handwritten note: 10/10/77

Industrial strength

THROUGHOUT the period of logically sophisticated light in Spanish economic growth such areas as electrical con- dition maintained the indus- try's industrial production es from Catalonia, and this portion has tended if any- ing to increase slightly in t years.

When as now, however, Cata- a's pre-eminence has been eved despite an almost com- lack of indigenous raw erials, being based rather on port, it easy communications i European trading centres, the commercial instincts which its people are re- ned throughout Spain. In sequence it is still almost dly devoid of basic indus- being more a manufactur- and processing centre.

has a traditional predomi- e in textiles, producing over- thirds of Spain's total out- in value, however, its tex- production has now been epped by the engineering or, where developments in ide range of products from s to electronics, give the ion comfortably over a- rter of the nation's produ- i. The region's chemical in- ry has also grown rapid- r the past few years, so that now has almost a third of in's total production, and r rivals the region's textile or in the value of its pro- duction.

Catalonia also has traditional growing strength in paper, rting and the graphic arts, food processing drink, and accy in ceramics, glass, and tent; and in articles made in wood and cork. It is also ortant in leather goods and wear, though in this sector relative position has tended decline.

between 1968 and the onset the economic depression in a, a number of highly bene- al changes were taking place Catalan industry. New rgy sources, natural gas and ear power, were being eveloped. Traditional sectors, particular textiles, were ng modernised, and the ex- sive number of uneconomic- small enterprises, which is of the chief problems of the alan industry, reduced. In chemical industry has been cticular, a number of techno-

switch in emphasis in the Catalan chemical industry away from inorganic chemicals and products, like pharmaceuticals and fertilisers—though these remain significant—to a growing involvement in organic chemicals. The production of plastic and synthetic fibres, products dependent on petrochemicals, has developed.

The opening of the new 375m. tonnes ethylene cracker in Tarragona, scheduled for last spring and now expected to take place sometime this year, will give Catalonia Spain's largest ethylene producing facility. A second cracker, also of 375m. tonnes, is being constructed, and should open in 1978 or 1979.

Plants producing butadiene and PVC have already been built around the cracker and are currently waiting for feedstock, and others should follow. The growth of this new complex should ensure the continued development of products derived from petrochemicals.

But despite heavy investment which by contrast to investment in other sectors, has held up well in recent years, productivity in the Catalan chemical industry remains very substantially lower than in those of all its European competitors; and the average size of unit—which a study of 1974 showed as employing 38 workers—though growing, is still too low.

If the chemical industry weathered the storms of the depression relatively easily, the same cannot be said of the motor industry, and particularly of SEAT, which is Catalonia's biggest single employer, as well as being Spain's largest car producer. Its production fell in 1975, from 362,000 cars to 329,000, and again last year, though at a slower pace, to 322,000.

This fall in sales, combined with price control, meant that the company made a loss of around Ptas.200m. for 1976. However, in December last year price control was lifted, for all but very small models, and better results both in terms of production and profits are hoped for this year. SEAT, though of great importance in the Catalan economy, is not Catalan controlled, being 37 per cent. owned by Fiat and 37 per cent. by the State holding company INI.

The commercial vehicle makers Motor Iberico and Enkasa also have plants in Catalonia, which is also the home of the country's five most important motorcycle manufacturers. Over 30 per cent. of the companies producing components for the motor industry are also located in the region.

Production of electrical equipment and appliances, which accounts for some 20 per cent. of Catalan engineering output and was until 1974 one of the growth sectors of the economy, was sharply hit by the recession, which began with a decline in the purchase of durable consumer goods. Last year, with consumer demand staging a slight recovery, the sector recovered somewhat. In general, however, the recovery was very tentative, and performance of the sector was really saved by an enormous increase in the production of colour TV sets. Catalan economy, chemicals held hitherto produced only on a up well with a 25.8 per cent.

gain in money terms, but textile investment fell 14.8 per cent. and investment in the metal industry—which includes most of the new high technology sectors—Catalans would like to see develop—by 17.5 per cent.

The decline appears to have continued in 1976, if at a somewhat slower rate, and there appears to be no sign of any recovery so far in 1977. Some very large groups are continuing with substantial investment projects already planned—in chemicals, basic metals, and even in the textile industry—if with some delays, but it appears that the great mass of Catalan manufacturing industry is not now investing in expansion of capacity, and in particular at the moment is waiting to see what the elections produce before deciding on future strategies.

At the same time the rise in labour costs means that Spain is no longer as distinctively cheap in this respect among European countries as it was until a few years ago. Thus the gains in competitiveness as a result of modernisation in key sectors of the Catalan economy have been more than wiped out by the loss of the region's old cost advantage, and it is probably less ready to face the full blast of EEC competition than it was a few years ago.

Unfortunately, events since 1974 have not only set back the modernisation of Catalan industry, they have also left a good deal of that industry dangerously vulnerable. Though there have so far been a few bankruptcies of any note, liquidity is extremely tight. This reflects the combination of high inflation, depressed demand, and the increase in labour costs, but it is also partly the result of Government control of the banking system. By channelling a large proportion of banking funds to public utilities, state-owned industry and other heavy industry, very cheaply, the State effectively restricts the amount of cash available to the private sector in general, and pushes up its price.

With so many companies—particularly the small and medium-sized in which Catalonia abounds—at risk, it is going to be very difficult to apply the monetary brake to Spanish inflation without causing widespread bankruptcies, and sending unemployment up sharply. Meanwhile, agreement on wage control is going to be hard to reach, and any sharp curb on wage increases would tend to reduce the demand for durable consumer goods, which has been the force behind Catalonia's modest recovery this year and last. On the other hand, if Spanish inflation continues massively above that of its competitors, there will be no alternative but to let the value of the peseta fall sharply, thus refuelling inflationary pressures and perpetuating economic instability.

Thus for Catalan industry things are likely to get worse before they get better. Any stabilisation policy is not only going to be very hard to implement, initially it is almost bound to push the Catalan economy back into recession. But if no such stabilisation policy is successfully implemented, there is very little prospect indeed of Catalan industry getting back on to the paths of modernisation and restructuring which it was beginning to follow successfully before the onset of the economic crisis in 1974.

Stagnation

Unfortunately, this recovery, weak as it is, has been accompanied by no recovery in profits, and by continued stagnation in investment. Because of the comparatively unchecked rise of wages, the pressure of labour costs on Catalan industry has increased markedly. Between 1973 and 1975 wage costs rose from 20.5 to 23.5 per cent. of the value of products sold, while social security contributions paid by employers rose from 4.6 per cent. to 6 per cent. of the value of products sold. In 1976 the same process continued, with wage costs rising a further 23 to 24 per cent., and the cost of social security contributions 29 to 30 per cent.

At the same time, the Spanish legal system makes it acutely difficult to shed labour in times of depression. This is clearly useful in keeping unemployment down in a country where social security provisions are inadequate, but from the point of view of industrialists it virtually transforms labour costs into fixed cost.

The effect of the pressure of growing wage costs in the context of depressed demand has been to help to depress profits. Though proper statistics are not available, indications are that these fell in 1975 and further still in 1976, and continue at a depressed level. Meanwhile, the combination of the fall in profits, the poor economic outlook over economic, political and labour questions in the run-up to the elections, has combined to reduce investment to low levels.

Investment in manufacturing industry in 1975 was down 2.4 per cent. in money terms, and the sector was really saved by an enormous increase in the production of colour TV sets. Catalan economy, chemicals held hitherto produced only on a up well with a 25.8 per cent.

Labour a key issue

IF THERE IS one key to the future of the Catalan economy it is labour relations. Without some new framework that has a degree of acceptance by both employers and workers than the sacrifices that are going to be asked of the Spanish people during the next few years will come to little.

The words "social pact" are very much in vogue within Government circles, apparently based on the belief that Britain is being saved from economic disaster by just such an arrangement and that it provides some near-miracle cure for both inflation and industrial disputes. Or, in the Spanish context, that it puts a strong brake on wage increases yet does not cause chaos on the streets.

The problem for the present Government, however, has been how to meet the growing clamour of the until very recently illegal trade unions yet at the same time prevent them getting a political grip on the country's workforce which might prove almost effective for the Left as winning the June 15 general election. The Government would like to negotiate with "responsible" trade union leaders, but do not want in sit down outside the new Parlia-

ment with Communists, Socialists and Anarchists. But its options are narrowing and will probably continue to do so. Catalonia and the rest of Spain are currently living in a twilight world. After nearly 40 years of stern labour discipline, with employers and workers both grouped together in Government-controlled syndicates—the so-called "vertical" system—provision now exists for independent labour unions.

Six unions of importance, four of them organised on a national basis, have in the past three weeks formally registered under the law and are technically free from harassment by the police. But they exist in parallel with the official syndicates, whose role is slowly being reduced, and under labour relations legislation that has only been slightly modified since the death of General Franco, presumably the newly elected Cortes, as well as attempting to hammer out a constitution for the country, will have to find time to discuss a new framework for regulating labour relations. Although the right to strike has been officially recognised, it is so heavily qualified that very



E.N.HIDROELECTRICA DEL RIBAGORZANA, S.A.

Head Office: Paseo de Gracia, 132 Barcelona—8—Spain

ENHER engages in the construction and operation of hydraulic, conventional thermal and nuclear power plants, as well as in the transmission and distribution of electricity in Catalonia. It is the main producer of hydroelectricity in Catalonia and the second largest producer of hydroelectricity in Spain.

ENHER was incorporated on 7th December, 1946 as a subsidiary of Instituto Nacional de Industria (INI), an autonomous agency of the Spanish State. It is a National Corporation with private capital participation and is subject to the general law governing business corporations.

Until 1968, ENHER generated all its electricity from hydraulic sources. Today, about 70 per cent. of its total capacity of 1,339 Mw is provided by its seventeen hydro-electric power stations. However, ENHER has undertaken an investment programme to diversify its sources. Nuclear energy is where ENHER's diversification investments are presently concentrated. ENHER participates in two nuclear power plants of 930 Mw installed capacity each, Ascó 2 and Vandellós 2, which are currently under construction, with an interest of 40% and 54% respectively.

Significant features of ENHER

Common Stock : Ptas. 12,451,479,000 US \$ 180,456,217
Reserves : Ptas. 10,657,875,781 US \$ 154,461,967

Production Capacity: 1,339 MW
—hydroelectric 1,004 MW
—Thermal (Gas- Fuel oil) ... 275 MW
—Nuclear 110 MW

Energy sold in 1976 (KWh in millions) 5,768.7
Number of Subscribers 327,000
Distribution network (Km) 7,454.3
Transformer capacity (MVA) 5,726.4
Operating revenues (US \$ millions) 142.0
Cash-Flow (US \$ millions) 28.4

Projects under construction

(ENHER'S share of its capacity)

—Moralets (hydro-electric power station) 205 MW
—Foix (conventional thermal power station) 250 MW
—Ascó 2 (nuclear power station) 372 MW
—Vandellós 2 (nuclear power station) 502 MW

Badiella & Sanjuan, S.a.

Av. Francisco Cambo 17, Barcelona—3 Spain

Telephone: 310-39-00 and 310-60-50
Telex: 52643 Sjuan and 51234 Sanj
Cables: Basansa

Our firm has been working in the Chemical Trade for more than 25 years, acting as distributors for some of the most important manufacturers in the Catalan area and also on the overall Spanish Market.

Our own fleet of overland trucks, both for solid and liquid cargoes, as well as our storage facilities at our own warehouse and in major Spanish ports, permit us to cover practically any requirements.

Our activities also include import and distribution of a variety of key chemicals from leading foreign manufacturers.

Finally, our export department has been considerably increasing its sales during the last few years, ranking among the major exporters of chemical products. We dedicate special attention to the Mediterranean area, South America, African Continent, as well as Far East and Northern Europe.

We can at present offer the following products for export:

Caustic Soda (solid and flakes)	Kieselguhr
Potassium Carbonate	Talc
Trisodium Phosphate	Calcite
Perchloroethylene	Barite
Trichloroethylene	and other Minerals for Filtration,
Aluminium Sulfate	Fillers and Offshore Drilling
2,4 D Esther Isobutylic Acid	

The Banco Industrial del Mediterraneo

plays an active part in the key industries of the Spanish economy such as Chemicals, Textiles, Metallurgy, Timber, Building, Public Works, Hotels, Transport, Agriculture and Services.



Banco Industrial del Mediterraneo

Head Office: Paseo de Gracia, 76 - Barcelona

Branches in:

Alicante	Gijón	Pamplona	Valladolid
Alicante	Granada	Salamanca	Vigo
Badajoz	Madrid	Santander	Zaragoza
Bilbao	Málaga	Sevilla	
Burgos	Murcia	Tarragona	
Castellón	Palma de M.	Valencia	

S.A. TAGA

The Spanish Crankshafts Manufacturer

CAMPDEVANOL (GERONA)

MARIO COLL, S.A.

Importer-Exporter MANUFACTURER

SPECIALISTS IN GENUINE LEATHER bags and belts for ladies and gentlemen

Head Office: Paseo Vallés, 172 Bloque 7, Casa 3, BARCELONA 14.



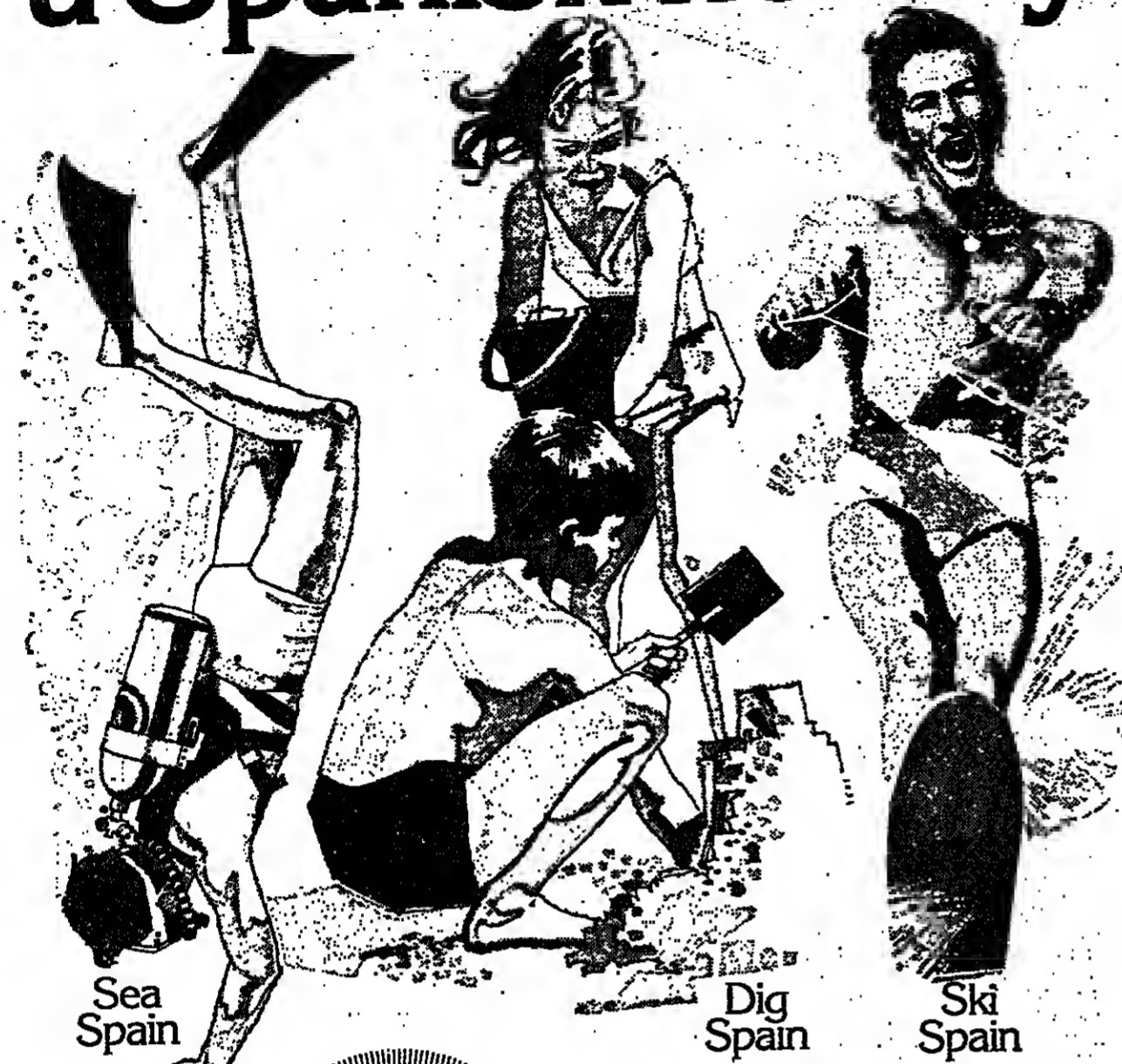
DOMAR S.A.

BARCELONA

the first producer of washing machines in Spain.

CATALONIA VI

CATALONIA- the sunny heart of a Spanish holiday



ESPAÑA SPAIN AGAIN

The Spanish National Tourist Office, 70 Jermyn Street, London SW1



PEGASO, a truck made in Spain aimed at the world.

Factories in: BARCELONA, MADRID, MATARO, VALLADOLID,

CATALANA DE INDUSTRIAS REUNIDAS S.A.



EXPORT CONSORTIUM OF HYDRATED LIME AND CLAY PRODUCTS FACTORIES, FOR THE CONSTRUCTION INDUSTRY

CONDE BORREL, 318
TELEFS. (93) 250 17 06 - 230 97 09 - 239 28 05
TELEX: 54097 CIRE E BARCELONA-15 (Spain)

Tourist industry begins to pick up

WITH HOTELS practically fully booked for July and August, and early arrivals significantly up on last year, this year promises to be one of modest revival for the Catalan tourist industry. And it is much needed. Under the impact of the economic crisis and foreign apprehension about events in Spain, the last three years have affected Catalonia like the rest of Spain: tourist numbers tending to decline, and real tourist spending falling substantially. Last year was particularly bad. While in Spain generally, tourist numbers largely held up, in Catalonia they fell markedly. In July and August, the time of the year which accounts for about 50 per cent of Catalonia's tourism, the number of foreigners entering the region fell to 4.9m. from 6.2m. in 1976. Just as the fall in Spanish tourism in the course of the past three years clearly owed a great deal to anxieties about political events in Spain, the signs of revival this year clearly owe much to the fact that the country's political evolution appears to be proceeding in a much more orderly manner than was widely expected. But by the same token, the recovery could easily be jeopardised by any political disturbances during or in the wake of next month's elections. And in any case it will bring only a very modest alleviation to the Catalan tourist industry, which suffers particularly acutely from certain structural problems which the uncontrolled growth of tourism in the 1960s and early 1970s led to an excess of hotel capacity. While the combination of rigid government price control, the growing economic power of foreign tour operators, and rising costs has meant falling profitability, and a tendency to decapitalisation in the industry. This then further reinforces the pre-dominance of relatively down-market and unremunerative tourism, which is one of its chief problems.

Both the immediate recovery and long-term prospects of the tourist industry in Catalonia, as throughout Spain, are of great importance to the country's economic prospects. Before 1974, tourist income tended to cover the vast bulk of Spain's substantial trade deficits. This is now no longer so, both because the trade deficit has gone up — last year it was some \$7.2bn. — and because tourist revenues have declined markedly in real terms. Last year's tourist spending, some \$3,100m., was practically the same as the 1973 figure. In money terms while an increase in the amount of Spanish tourists spent abroad meant that Spain's net tourist earnings were, at \$2,700m., some \$200m. less in 1976 than those of 1975, 31.2 per cent. On the other hand, the severity of Spain's present balance of payments problems only accentuates the trend to increase tourist revenues, diminished as their role may be.

Statistics for entrances thus serve to give only the very roughest of ideas, particularly as, among genuine tourists, many coming into Catalonia are only passing through, en route to spend their holidays in other regions. But for what they are worth, they show Catalonia's percentage of foreign entrants to Spain oscillating around 35 per cent for the past five years. More useful figures, can be obtained for the numbers of hotel and other places for posed maximum prices. These have now been removed for four and five star hotels, continue in force for all others. These prices have not been allowed to rise to keep pace with inflation generally. Thus between 1972 and 1976 the maximum price for a one-star hotel rose only from 194 to 247 pesetas, a 27 per cent rise, while the cost of living index rose 58 per cent.

This control has had special effect on the Costa Brava, which has a relatively high concentration of small hotels, of around 50 to 100 places, dealing with individual clients, though of course here as elsewhere, the weakness of demand would very likely have depressed prices in any case. Among the larger hotels, of 400 to 500 places, which tend to be more predominant on the Costa Dorada and the Costa de Tarragona, the effects of government price control have been much less. This is because they tend to deal to a substantial extent with foreign tourists, particularly in their dealings with British and German tourists. Despite the Tour Line affair of 1974, the operators' relative importance has tended to increase, and confronting a tourist industry at once with substantial excess capacity, and with a high degree of fragmentation, they have been able to push down prices well below the legal maxima.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT. Attempts by the bigger unions to establish some form of umbrella organisation along the lines of the Trades Union Congress in Britain have not met with success, and seem unlikely to do so for some while. This will inevitably inhibit attempts at negotiating industry-wide pay and conditions agreements or indeed the establishment of a nationally agreed limit to wages increases. But before the newly legalised unions show themselves willing to become involved in this type of bargaining it is probable that they will insist on progress on two important issues. The first, and especially important in the case of the General Workers Union (UGT), is the return of property confiscated by the Franco regime after the Civil War. The Government is believed to be prepared to make at least some token gesture in this direction. The second is some indication of positive moves towards fiscal reform that will aim at a much fairer incidence of direct taxation. However, that will clearly have to be a longer term objective of the new Parliament and meanwhile the most effective method of reform would probably be to try to enforce the present system.

Next biggest is the Workers Sindical Union, officially without political affiliation but associated with a Socialist faction, and with a membership

of about 100,000. Slogans painted on walls proclaiming "Neither God, nor the police are brought in, nor employers, nor workers control" indicate the attitude of the National Confederation of Work (CNT), the anarchist-inspired organisation which was powerful before the Civil War and draws a lot of its support from Catalonia. It has enjoyed a perhaps surprisingly rapid rebirth during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

At the same time as occupancy levels have been falling during the past two years and with some 35,000 members is well poised to expand further when it is discovered that wages will be more strictly controlled under democracy than they were under the dictatorship. There is no better measure of the political evolution of the country than the legalisation of the CNT.

LA FARGA CASANOVA, S.A.

The foremost drop forgers
in Spain
Forgings—hot extrusion and upsetting

Works in:
CAMPDEVANOL - RIPOLL - REINOSA
Offices in:
BARCELONA AND CAMPDEVANOL

PHARMAX S.A.

JUAN SEBASTIAN BACH 7 BIS 2º A
BARCELONA-6
Telephone: 321.75.00 - Telex: 52527 PHARMAX
Export of Raw Materials for the Chemical Industry in Spain
and also of products manufactured in Spain

By 10 1550

The Management Page

EDITED BY CHRISTOPHER LORENZ

CURRENT COST ACCOUNTING

A welcome from the public sector

BY CYRIL HERRING

IT IS NOW 30 years since post-inflation was worrying accountants and I found myself, a comparatively junior member of what is now the Institute of Cost and Management Accountants, arguing with older wiser members against very complicated proposals for inflation accounting. Inflation diminished the amount was forgotten and accountants were content to continue their practices based on historical cost. In fact, inflation continued but at a rate which, though it did not have a material influence on figures in one year to the next, distorted comparison over say a year period. This played a part in takeover battles and right failures among companies that found themselves unable to keep their equipment to date.

The report of the Sandilands committee came as a breath of fresh air and its straightforward approach fitted pretty well with our views. Since then we have had ED 18, a somewhat sober book that, although it came at first sight to complicate the problem, does nothing to destroy the aims of Sandilands while tying up a lot of loose ends.

In considering the potential of public corporations, a first look at the wide variety of size and nature that exist in the private sector there are differences between companies. Some have, for instance, a British Waterways Board with annual turnover of £9m, and a British Steel Corporation with a turnover of £2,557m. We also have an increasing number of public corporations involved with modern technology and making a good return



Mr. Cyril Herring, Finance Director of British Airways and chairman of the public corporations' finance group.

proved asset inventories which would result from this exercise would undoubtedly be a valuable management tool, but the practical difficulties involved in setting up such records initially should not be underestimated.

Adoption

The Board was, therefore, moving towards the adoption of replacement cost, but the full adoption of the ED 18 proposals would complete the picture. In common with most organisations, nationalised industries would face practical problems in refining asset records, so that depreciation charges could be calculated on the ED 18 basis. The tendency in the past has been to assess the useful life of plant and machinery on a conservative basis, whereas in practice the asset has been retained as back-up long after it has been completely written off.

Large organisations are now faced with a major task in valuing such assets on one of the alternative bases, and bringing them back on charge. The im-

concept of "equivalent capacity" as a basis for asset evaluation since this method seems the most appropriate for aircraft which are not normally replaced with precisely comparable types. Taking into account the commercial and technical considerations such as number of passenger seats, average speed and average annual utilisation in flying hours, a comparability factor can be calculated for replacement aircraft based on "equivalent seat miles." The replacement cost of three Boeing 707 aircraft could reasonably be based upon the current cost of a single 747.

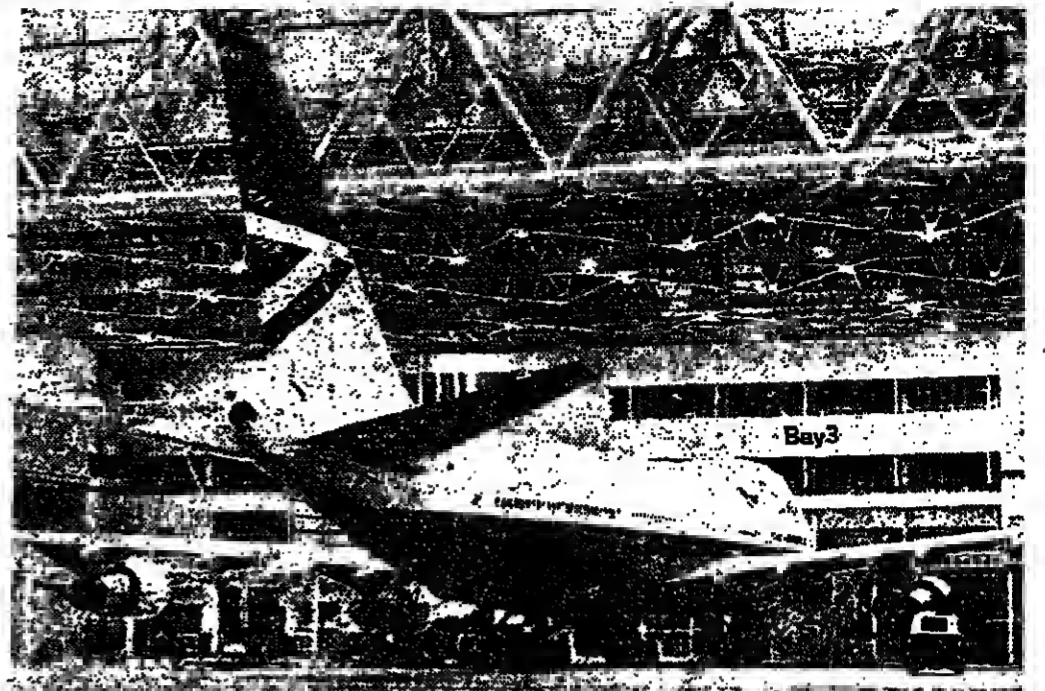
Comment

A good deal of adverse comment has been made on the ED 18 proposal that all land and buildings should be subjected to a professional valuation at least once every five years. This proposition has been criticised both on the score of the expense involved and the availability of qualified staff to undertake such a major exercise. In the case of some nationalised industries the additional doubt arises as to whether outside professional valuers are in a position to obtain sufficient experience to question the judgment of professional staff employed within the industry.

One can cite, for example, aircraft hangars and passenger terminals, the value of which cannot be established by normal professional criteria but is dependent on future aircraft operating programmes, fleet procurement policy, Government policy regarding the use of specific airports etc. Only staff directly involved in these problems are in a position to make valid judgments of the

future potential of specialised assets. During recent years there has been a growing tendency for nationalised industries to borrow on the international money market. Some fears are obviously justified regarding the adverse effect of ED 18 on reported profitability, particularly if CCA is implemented unilaterally by Britain. The retention of historic costs may well be forced on us by EEC requirements, but in any case a strong case can be made for continuing to report on that basis, until there is a wider international acceptance of the basic principles underlying ED 18. The exposure draft visualises a two-year period of parallel reporting, but my own assessment is that the limited amount of additional work involved would justify retention of historic costs for a much longer period.

One of the more controversial recommendations of the Morphet Committee is the "Statement of Change in Shareholder's Equity" which revives a feature of the original ASC Current Purchasing Power proposals which Sandilands rejected. In the form proposed, the statement is likely to present an unbalanced view of those nationalised industries which have both Loan Capital and Public Dividend Capital. The view has been expressed that since the Government is the sole "shareholder" in these industries, the total capital provided represents the equity; this view would largely nullify the original concept of PDC, and it would seem more logical to follow the practice of companies and exclude Loan Capital from this Statement.



The value of aircraft hangars cannot be established by normal professional criteria; it is doubtful whether outside professional valuers can obtain enough experience to question the judgment of staff employed within the industry.

major assets such as ships and aircraft on finance lease is now common in Britain. Possibly the most contentious issue in accounting circles during recent years has been the restrictions imposed on the detailed set of rules is inescapable. For this reason, I feel it was right to include proposals for treatment of such matters as Deferred Tax and Finance Leases which are not strictly within the area of inflation accounting. Like most capital intensive organisations, nationalised industries have for some time doubted the wisdom of accumulating massive provisions for deferred taxation which may never be required on an on-going business basis, but there is obviously some risk that the rather loosely worded proposals in ED 18 will introduce such a high level of subjective judgment into tax provisions as to become unworkable.

The proposal that assets purchased under finance leases should be capitalised was predictable in view of the new American accounting standard on the subject. Exclusion of leased assets from balance sheets has tended to distort one of the more useful efficiency parameters, viz. "return on net assets", and the need for standardised treatment of this item has become urgent, particularly ED 18 requires that they should be revalued on a CCA basis, a

somewhat pseudo-scientific exercise that has little to commend it. In my view, the critics of this section have a valid point. Inflation is no respecter of persons; its malign influence is all-pervasive. Despite this, the impact on varying types of organisation can differ substantially, and it is therefore not surprising that the degree of urgency implicit in ED 18 is not universally shared. My own view is that ED 18 should be adopted for the nationalised industries. But the reaction of nationalised industries can be expected to range from enthusiastic to lukewarm, according to the likely effect on their own financial problems. Capital expenditure tends to be more reflective of the current national economic plight and level of unemployment than of the future revenue-earning capabilities of the projects put forward. Under these circumstances, it is easy to see that CCA may well be counter-productive in some cases, for example, British Rail, where it could have an adverse effect on staff morale, without compensating advantage in terms of progress towards profitability. To quote the authors of ED 18, "the system should not be delayed by the search for an elusive and probably unattainable degree of perfection."

BOOK REVIEWS

Significant factors in the future of world shipping

World transport of energy 1975 to 1985, by David Hawdon; Staniland Hall, £70; 67 pages.

Shipowners, mariners and the new law of the sea, by Dick Gaudin; Fairplay Publications, £15; 81 pages.

Ship tonnage measurement of ships—towards a universal system, by Michael Corkhill; Fairplay Publications, £15; 30 pages.

What goes on in shipbuilding, by Michael Chilton; Woodhead-Faulkner, £1.95 hardback, £1.25 softcover; 72 pages.

THE LIKELY future world-wide transport requirement for the three main fossil fuels—oil, coal and liquid natural gas—is the very topical subject of World Transport of Energy 1975 to 1985.

Mr. David Hawdon gives a detailed analysis of changes in world energy transport patterns

during the critical years of 1970 to 1975 and investigates relative costs of transporting energy in its various forms.

Projections of oil trade up to 1985 are made together with estimates of total shipping requirements. Efforts to eliminate the present tanker surplus are discussed, with the author concluding that the best solution is for individual governments to refrain from propping up their own shipbuilding industries by way of subsidies.

Future developments in the movements of oil and liquid natural gas are also forecast by Mr. Hawdon, whose book includes a host of detailed tables and charts.

The effects of technical, legal and political constraints upon the traditional users of the world's oceans—the shipping companies and the seamen—are discussed in Shipowners,

mariners and the new law of the sea, and publication of this book is clearly designed to coincide with the re-convening this month of the United Nations Conference on the Law of the Sea.

After tracing the tangled history of previous UN Law of the Sea Conferences from 1958, Mr. Gaudin gives his view on the various proposals coming before the latest conference and concludes that there is a very real risk of the interests of the shipowner and the mariner being largely ignored as the emphasis is placed upon the establishment of zones of influence and "nationalisation" of the oceans and seas.

Equally timely is Fairplay's The tonnage measurement of ships—towards a universal system, which sets out the background to UN moves to remove the confusion caused by differ-

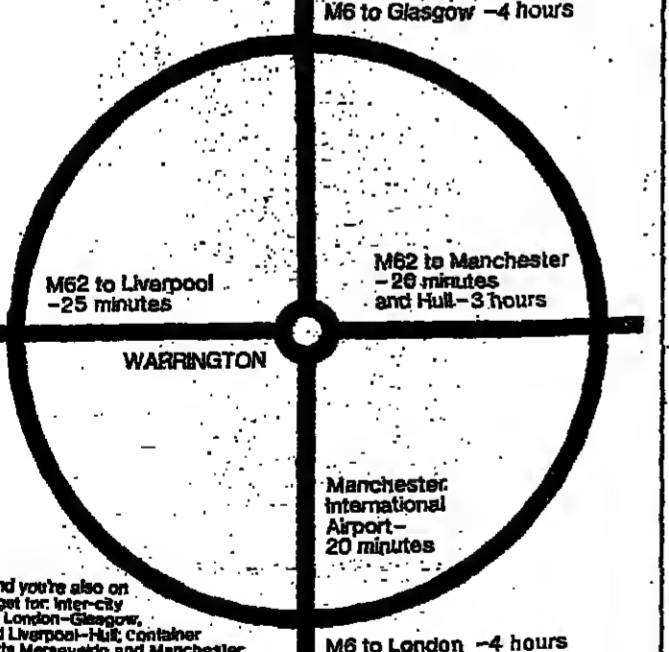
ent systems of measuring a ship's tonnage.

A new system has been developed by the UN's International Maritime Consultative Organisation to obviate the considerable national differences that exist to-day. It will be introduced by means of an international convention which it is expected will be ratified soon.

Michael Corkhill covers the history of tonnage measurement, the reasons for the convention, and its likely effect upon tonnage users.

What goes on in shipbuilding is the seventh title in a series aimed at assisting young people to choose a career. Published in association with Court Shipbuilders, Austin and Pickersgill, Scott Lithgow and A. and P. Appladore (London), the book describes the new and varied job opportunities offered in this industry which is being continually modernised to keep abreast of technological developments.

Stand and Deliver

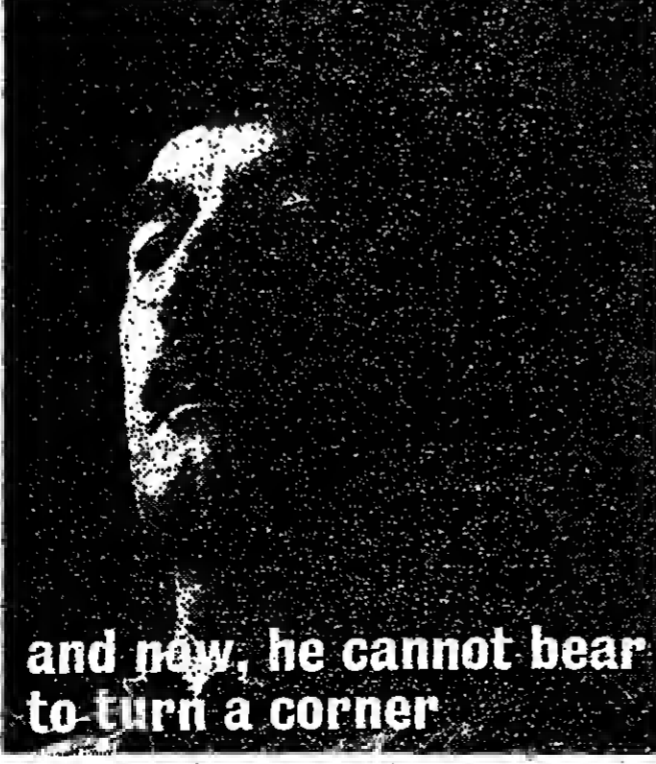


Stand where the M6 crosses the M62. Stand within 1 hour of 15 million consumers. Stand alongside Fiat, Goodyear and Safeway and other top international distributors. Stand at Warrington and you'll deliver faster and cheaper.

For details of super-sites at Britain's premier distribution centre, contact Alan John at: Warrington Development Corporation, PO Box 49 Warrington, Cheshire WA1 2LF. Tel: Warrington (0925) 51144. Telex: 627225.

Crossover at Warrington

Perhaps the bravest man I ever knew...



and now, he cannot bear to turn a corner

SIX-FOOT-FOUR SERGEANT "Tiny" Gifford, DCM, was perhaps the bravest man his Colonel ever knew.

But now, after seeing service in Aden, after being booby-trapped and ambushed again more recently, Sergeant "Tiny" cannot bear to turn a corner. For fear of what is on the other side.

It is the bravest men and women from the Services who suffer most from mental breakdown. For they have tried, each one of them, to give more, much more, than they could in the service of our Country.

We look after these brave men and women. We help them at home, and in hospital. We run our own Convalescent Home. For some, we provide work in a sheltered industry, so that they can live without charity. For others, there is our Veterans' Home where they can see out their days in peace.

These men and women have given their minds to their Country. If we are to help them, we must have funds. Do please help us with a donation, and with a legacy too, perhaps. The debt is owed by all of us.

"They've given more than they could— please give as much as you can."

EX-SERVICES
MENTAL WELFARE SOCIETY
37 Thurloe Street, London SW7 2LL. 01-584 9688

Management Consulting

A Guide to the Profession

The growing importance of consultancy; the substantial differences in approach and execution between management consulting and management practice, and the lack of formal training facilities for new consultants have created an urgent and widely felt need for a practical guide to the profession.

Unique in its field as a guide and textbook, this volume covers work methods, behavioural aspects of change implementation, design and control of consulting assignments, organisation of consulting units, training programmes for consultants and ethical considerations... a standard work on the subject... comprehensive... informative... (The Training Officer).

378 pages. 2nd imp. 1977. ISBN 92-1011165-8 £10.00

International Labour Office

87/91 NEW BOND ST. LONDON W1Y 1PL. Tel: 01-477 2084

"We've outgrown magnetic ledger cards"

"Bet you haven't" says KIENZLE

You still want visible records but desperately need to speed up the whole accounting cycle - right?

The symptoms are familiar. Delays in invoicing, overtime in accounts, errors, complaints and inadequate management figures.

Kienzle have the answer... the KIENZLE 6600

Two months from now... Your Kienzle could be running in your office. We'll show everybody how to use it and the change-over will be made with the minimum of fuss. See for yourself! Come and have a demonstration or visit some of our users and see for yourself - all without obligation. Just use the coupon or give us a call.

Kienzle Data Systems 224 Bath Road Slough SL1 4DS
Telephone: Slough 33355 Telex: 848535 KIENZLE G
Branches also at: Birmingham 021-643 6021

Bristol (0272) 421448
Manchester 061-707 1880
Washington (0632) 464 897

It's a bet - let's see the colour of your brochure!
My name
My position is
Just cut out and clip it to your company letterhead or Post it to us today!
678

Ideal for the office

Arab Wings recently took the chairman and chief executive of an American natural gas company from Dhahran to Riyadh for a crucial appointment with an Arab minister.

Arab Wings was there again two days later and, after a short stop in Jeddah, he was on his way to Paris to complete his business appointments.

To reserve your Arab Wings Learjet 35/36 aircraft telex 1608 ALIA JO or contact any office of ALIA, The Royal Jordanian Airline.

arab wings
THE MIDDLE EAST'S BUSINESS JET CHARTER SERVICE

(Established 1888) THE FINANCIAL NEWS (Established 1861) Head Office Editorial & Advertisement Offices BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

War of nerves in the air

BY MICHAEL DONNE, Aerospace Correspondent



Top Lockheed executives Mr. Richard Taylor (left), Mr. Willis Hawkins (company president) and Mr. Charles De Beets, with models of new versions of the Rolls-Royce powered Tri-Star.

Saying no to Mr. Carter

THE SPEECH by Dr. David Owen, the Foreign Secretary, on non-proliferation at Chatham House yesterday can be read on two levels. On the first it is a straightforward account of a series of problems which Dr. Owen summed up as follows: "The world is increasingly forced to look to nuclear power as a means of sustaining life in the full knowledge that nuclear power, if misused, adds to the danger of destroying life once and for all."

Objections

It is clear that the issues were not resolved at the Downing Street summit meeting nearly two weeks ago. President Carter is proposing to remove the incentive for more countries to acquire their own enrichment and reprocessing facilities by offering assured supplies of enriched fuel to meet their energy requirements. If this were accepted, it would do away with the need for commercial recycling and the fuel cycle based on plutonium.

Blunter

It is difficult to see why anything like this time is required. Most of the arguments, after all, are known and the alternative fuel cycles have been evaluated over the past few decades. There is a case for a further study of world uranium supplies in the light of possible levels of demand, but it is far from clear why anything like two years would be needed for that. Moreover, it has been left uncertain what those countries already committed to reprocessing and fast breeder programmes are expected to do while the evaluation takes place.

The future of the rating system

THE BIGGEST single mistake which has been made in relations between local and central government in recent years was the decision to treat the role of local authorities and their resources as two readily separable issues. Yet this is not the only reason why last year's report from the Layfield committee—which has been charged with reviewing the financing of local government after the main questions of structure and function had been settled—proved to be unsatisfactory.

Artificial

This has always seemed to be a highly artificial polarisation, and the Government has plainly had no difficulty in rejecting it. For the same reason, the Government has also come down against the committee's own preferred localist solution, together with the concomitant of a local income tax surcharge. A far more realistic approach would be to have had many other drawbacks besides that of extreme sparseness. Instead, Mr. Peter Shore, the Environment Secretary, argues in yesterday's Green Paper that much more could be done to improve the present system.

Abolish

For the present, however, these matters are likely to be overshadowed by arguments about the future of the household rating system. Since the present system cannot be sustained for much longer, the choice seems to lie between Mr. Shore's arguments in favour of using capital values and Mrs. Margaret Thatcher's desire to see household rates abolished. Now that the Government has presented its case, it seems to be up to the Conservatives to say how they would replace the £2bn. or more which household rates are currently yielding.

OVER the next few months, the jet engine order book is already full until 1979. As a result, Boeing is stepping up its total production from 13 to 18 jets a month, with raising their production rates from 727 output alone going up from seven to 11 a month by mid-1978. Further south, at Long Beach, California, McDonnell Douglas is putting its DC-9 short-medium jet production rate up from 1 1/2 a month to 2 1/2 a month by the end of this year, and it may go even higher.

This inflow of business for the latest versions of existing jets clearly shows that the airlines are in no hurry to become involved in expensive new aircraft designs, preferring to spend their money on products they know and trust. This is not for lack of awareness of the potential market. Nearly every forecast points to a doubling of air traffic worldwide by 1985, creating a demand for an estimated \$22bn. (\$56bn.) of new aircraft.

The Eastern Airlines' decision to give a six-months' trial to the European A-300 Airbus falls into this category of airlines preferring existing to new generations of aircraft. The Airbus is already flying with European and other airlines, and sales are developing slowly. Any Eastern purchase is not likely until later next year, but it could take up to 50, which might well stimulate other orders. But many other airlines may also settle their future fleets before then, so that the Airbus is bound to face tough competition from existing and even later-generation jets.

As the biggest jet holder of all, Boeing in Seattle is getting the lion's share of this new business. So far this year, it has logged orders for 80 jets, of which 63 have been for the best-selling 727 short-medium range aircraft. For this year as a whole, Boeing expects to deliver 139 jets of all kinds, of which 78 will be 727s.

The airlines' reluctance to commit themselves to new types stems from three main factors. The first is that in spite of their improving financial position, they still need a long period of high profits before they can convince their lenders—banks and insurance companies—that they can safely lend the billions of

dollars world-wide which will be needed for the new aircraft. The financial institutions in the U.S. are showing a marked reluctance to become involved in the prospective new jet era, and so other financial solutions to the re-equipment problem are being studied. One is a 2 per cent tax on passenger tickets that would help the airlines either buy new aircraft or re-fit older ones with new engines. The airframe makers, however, want to see any such money going towards paying for the new jets in the distant future. Outside the U.S., the makers are hoping that governments will help their airlines to re-equip with new types, but they recognise that the lead will have to come from inside the

entirely, the 727 market, for the 727 will cover much of the range-payload performance of the new jet era. It is also probable that sales of the successful Boeing 737 short-haul jet would be hit by the 727. Boeing thus wants to win as many orders as it can before committing itself to the new aircraft. It recognises that the costs of developing them will be so high (£500m. for the 727 and £800m. for the 737) that it could be risking its entire future. Therefore, Boeing will this summer be making yet another sales tour of the airlines, in the U.S. and overseas, trying to interest them in what it has to offer. In particular it will be pressing the 727 on foreign airlines, because it feels that it is there that aircraft's best markets will lie. But Boeing knows that it has an uphill struggle in trying to convince airlines who are neither ready nor willing to buy new types of jets they don't want with money they don't have.

Yet another difficulty is the pressure for international collaboration. This is coming mostly from European aerospace industries, who want to get some share of the big U.S. industry, in turn, is not averse to accepting some large chunks of development cash from European governments anxious to see their industries thrive. But while doing out some work in return, the U.S. makers insist on retaining control of the venture. Some of the most publicised discussions seem to have been those between Dassault-Breguet of France and McDonnell Douglas on the Advanced Short-Medium Range (ASMR) transport, and those between Boeing and Aerospaceplane and Airbus Industrie (which makes the A-300 Airbus). The U.K. has been discussing the possibilities of collaborating with Boeing by making wings for the 727, and with McDonnell Douglas on participation in the DC-X-200.

Boeing, however, is not so happy about the U.K.'s inflation rate and its industrial relations record, and is not likely to commit itself to giving large chunks of its biggest-ever programme to overseas industries until it can be convinced that delivery will be made on time and at the contracted price, for a period of perhaps 15 to 20 years. Boeing remembers how the Rolls-Royce bankruptcy in 1971 nearly brought down Lockheed, who has no intention of putting the U.K. in a similar situation with one of its own. McDonnell Douglas will probably go ahead alone with its £100m. stretch DC-9-55 this summer.

Of all the U.S. big three, it is Lockheed at Burbank, which feels most closely tied to the U.K., through its involvement with Rolls-Royce and other British suppliers on the TriStar, which it will submit a collaboration with the U.K. its Dash 400 tri-jet and Dash 600 twin-jet versions of the TriStar, which it will submit a collaboration with the U.K. its Dash 400 tri-jet and Dash 600 twin-jet versions of the TriStar, which it will submit a collaboration with the U.K. its Dash 400 tri-jet and Dash 600 twin-jet versions of the TriStar.

NEW AIRLINER DESIGNS UNDER CONSIDERATION

Table with columns: Aircraft, Seats (approx.), Max. range (approx.) in nautical miles, Possible engines. Includes models like Hawker HS-146, Fokker F-29, Douglas DC-9-35, etc.

* Engine makers are: Rolls-Royce (RB-211, 535 and 432); General Electric (CF-6 and CF-6-32); Pratt & Whitney (JT-9D, JT-9D and JT-10D); and CPM International (CFM-56).

MEN AND MATTERS

The Exxon way

Where was Sir Richard Dobson, chairman of British Leyland, when the storm broke yesterday over strenuously denied allegations of dubious payouts to the company? He was in Texas for the annual meeting of Exxon, the oil and chemicals giant, where he is a non-executive director and where he plays a leading role in ensuring Exxon employees adhere to the group's code of business ethics.

Dobson is one of four distinguished non-executives on Exxon's audit committee, which besides having an overseeing role on finance and policy has special responsibilities for ethics. Specifically, this has taken the form in the past few weeks of interviews of top executives to make sure they are sticking to the rules, a major preoccupation of big U.S. companies since the Lockheed scandal. Dobson has told colleagues back at Leyland that he is very impressed by Exxon's painstaking procedures, which have included some of the executives involved presenting sworn affidavits.

Game's over

The big game hunter, rather than any of his prey, seems to be the most seriously endangered species in Africa. Yesterday it was announced that Kenya, for years the most popular hunting ground, has placed a total ban on the killing of wild game.

"All professional hunters' licences have been cancelled forthwith," declared Mathews Ogutu, minister for wildlife and tourism, who added that this applied to "all individual hunters, professional hunters and companies holding hunting concessions." Hunting safaris, in the minister's view, must become photographic safaris.

Return to life

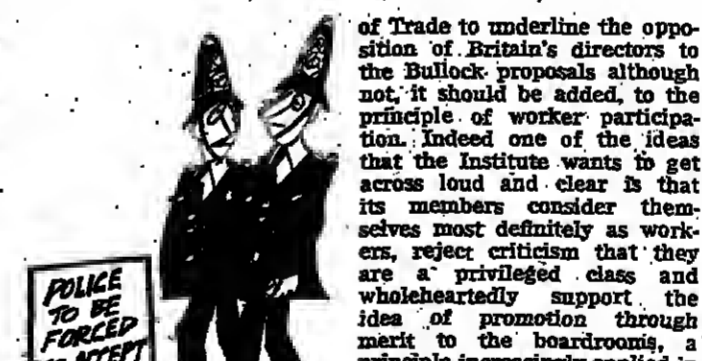
Has the Institute of Directors returned to life? This intriguing possibility emerged clearly at yesterday's Press conference at which chairman Denis Randolph proudly announced a turnaround into surplus after years of losses and details of a far more effective public stance after years of a somewhat below the horizon public profile.

MEN AND MATTERS

The order came after protests by wildlife conservation groups including the World Wildlife Fund, about the increasing slaughter in Kenya. Legal killing aggravated by poaching has brought many types of animals to the extinction danger point, with rhinos especially at risk.

The Kenyan economy will suffer in the short term, but the Government hopes that there will be greater encouragement for ordinary tourism. It is reckoned that the loss of revenue from hunting licences will be about £1.5m. then there are about a hundred professional hunters in Kenya, who have made a good living conducting expensive safaris for wealthy American and European clients, and each hunter probably employs another 100 or so Africans.

There is bound to be consternation among the safari-takers, though many professionals have expected a total ban for some time. Elephant hunting had already been stopped because of unscrupulous ivory hunters, and activity has now shifted to the Sudan, Malawi, and in particular, Botswana. A temporary ban announced in Tanzania shows no sign of being relaxed.



"Typical, there's never a decent pay rise around when you really need one!"

which ended some two years ago with the appointment of Jan Hildreth as Director General. The first was publication of a book on how to commission a portrait of your chairman and the second was a spirited public stand against accusations of drunkenness in the nations' boardrooms. This is a hoary old chestnut, completely without foundation, of course, based on statistics showing that people describing themselves as company directors were most prone to cirrhosis of the liver.

The Institute's current premises, in Belgrave Square, do include a very comfortable bar and excellent dining room but the club and social activities of the Institute, while still important, have been flanked by the efforts of a three man research team, a drive to recruit more active members, and a determined effort to get the Institute's views across to politicians, trade unions and the media.

Business Kipper

"Breakfast first, business next," William Thackeray once said to emphasise his support for this great British institution. But those were calmer days. Now many businessmen don't like to waste time eating unless they are doing business at the same time. It's a deplorable development, but there it is.

To cater for these new philistines Great Metropolitan Hotel's St. George's Tavern subsidiary has just invested £85,000 in doing out The Albert pub, virtually the only Victorian building left in London's Victoria Street, and opened it for business breakfasts. It is now possible, therefore, to eat a hearty old English breakfast, including kedgeree, kidneys and kippers, and get marmalade stains on your order book at the same time. Hope it gives them indigestion.

Figuratively speaking of course - by helping customers solve problems that some other computer companies would probably leave alone. Before Prime Computer recommend a system, it makes sure that it meets the exact customer's needs. We can help you (or the competition) unless you make the move. Ring Roger Parsons on 01-875 4945. The Coach House, 173 Shear Lane, London SW14 8NA or Martin Lippman on 0234 85121, 34/36 Bromham Road, Bedford MK40 2DD.



PRIME COMPUTER UK

60/00 1250

Copy 1550

POLITICS TO-DAY: THE RAMSBOTHAM AFFAIR

BY DAVID WATT

A lobbyist journalist's twilight world

WAY in which British journalists are reported to be a source of fascination to British politicians and their advisers is a well-known fact. I doubt that the general public finds this particularly interesting. In my view, people outside the world tend to take the view that reporters and lobbyists are engaged together in a game which is so obscure and point that it does not much matter what the rules are. I rather like Oscar Wilde's notion of foxhunting—the weak in pursuit of the stable.

Nevertheless, the question of said to whom about Peter Ramsbotham, the outgoing British Ambassador in Washington, and why it found way into the Press, raises a very wide issue about the narrower issues about working of the Parliamentary system that I want to discuss here.

The common sense view of the Government's private arrangements about Sir Peter Ramsbotham were, rightly or wrongly, pretty much those that reported—or else why did they want a change? The Government explained its views in a relatively polite but unconvincing way. It said: "We need a 'change' in order to refresh the image and the energy of the Labour Party, and the role of the Labour Party, in some lobby journalists, read correctly between the lines these statements and knowing the background, 'hard' them into something more concise and more uncomplimentary. This interpretation is right,

to their readers the fact that they were going further in their inferences than was immediately justified by what Mr. Michael Foot and Mr. Tom McCaffrey, the Downing Street spokesman, had said to them. But that does not by any means dispose of the argument. The ethical waters are hopelessly muddied by the appalling ambiguities covered by my bland phrase in the last paragraph—"opinions which were not intended to be published."

A large proportion of political reporting actually depends upon the presentation of opinions half intended for publication, or intended for half-publication—that is, opinions for which the speaker will be in a position to deny responsibility when they are published because his name and the quotation marks are missing. The "not for attribution" statement whether by Ministers, shadow ministers and spokesmen to groups of journalists, or by individual politicians having a drink with a journalist contact, is the main coinage of political discussion at Westminster.

This is a twilight world in which accidents are very likely to occur and it is the politicians who are primarily responsible for the fact that everyone is driving without lights. The reason why political news is so often speculative and political statements so often float about, attached to nothing more substantial than disembodied entities such as "ministerial sources," "high opposition circles" and the like, is that politicians find it easier to manipulate public opinion that way and are in a position to dictate terms to the journalists.

These may sound harsh words. Nobody likes the thought of "manipulation." Yet the

argument takes another twist here. For when you come to think about it the fact is that a certain amount of "manipulation" is exactly what is expected of a competent democratic politician. Consider for a moment five possible reasons why a politician or his spokesman might say something to a journalist without wanting his name attached to it.

Friend. The limiting case, of course, is when the politician is simply talking to the journalist as if he were a friend or informal adviser—trying out ideas and thinking aloud, as he would to any other friend, on the assumption that the normal rules of civilised private discourse will be observed. These are not really "opinions intended to be published" at all, and it is arguable that journalists ought not to put themselves in the position of receiving them because of the difficulty of distinguishing the role of confidant from that of reporter.

Most journalists, including myself, do not take quite such a purist line and have all had to resolve occasional awkward dilemmas as a result.

The second case—which is sometimes extremely difficult to distinguish from the first—is where the politician wants to try out his ideas on his political colleagues, or the Party, or the public without being seen to lose face if he has to recall before an angry reaction. There is another point here, namely that if the "audience" is presented with the proposition in an indefinite form, its reaction will be less violent, and the political waters will remain untroubled.

This leads us to Case Three. Where the politician has actually decided to do something more or less unpopular, he may tell the Press, non-attributably, that intolerable pressures are mounting on the Government, and that at some time in the future in spite of heroic efforts by himself, such and such a course of action may be necessary. This is a double-edged weapon since the advance warning may be profitably used by opponents to whip up an even worse storm than there would have been if no warning had been given. On the other hand, judiciously used, it can be a useful device for breaking in the public eye. Anonymity is not always essential here but is often used as a hedge against the appearance of unforeseen factors before the decision is put into effect.

Case Four is a question of personal politics. A politician often wants to distinguish his own position from that of his colleagues. He cannot make his case openly because to do so would be to break one or other of the unwritten rules of British political life. He therefore leaks his position, off the record, to the political Press in the expectation that it will appear in some eminently deniable form—while Mr. X is loyally adhering to the party line, close friends say that he is extremely unhappy.

Lastly there is Case Five which comprehends a category of more or less disreputable activities—smears, whispers, false accusations, betrayals. All these are, alas, part of the stuff of political life and will continue to be so, so long as men seek power. But so long as the majority condemn them, they can only be perpetrated under a cloak of secrecy.

Should the journalist provide that cloak? It is relatively easy to answer "yes" for Case One and "no" for Case Five, though in both cases there are borderline examples where the public interest might suggest a different answer. The difficulties arise over the middle three cases which are by far the commonest—not just in political journalism but in many other journalistic fields.

The short practical answer for most political journalists is simple enough, of course. If you are not prepared to protect your sources from the responsibility of their statements and information when asked to do so (as you are, in effect, much of the time) you will not be told anything.

Nor is it always easy to make out a clear theoretical case against accepting the politician's terms. In the matter of leaking or letting the public down, there is nothing necessarily dishonourable about the politician's tactics. He is merely trying to do his job of reconciling interests, reducing friction and maintaining a stable society. To expect him to achieve these feats, and to move through a swarming jungle with rapacious interests and party opponents without some camouflage, is unfair as well as unrealistic.

The British "lobby" system incidents like the Ramsbotham affair which illustrate the ambiguities and misunderstandings which arise when both sides are sailing close to the wind under the conventions of anonymity, cause much friction and heart-searching from time to time, but they never seem to actually need to be or, in fact, is good for them. Yet the Press, which should encourage them to more openness, in fact provides them at Westminster with a machine which is constructed to fit much too closely into a system which is designed to keep them out.

It seems to me that British political journalists should ask ourselves whether we should not try more often at least to assert the principle that it is the business of the Press to print the whole truth rather than to help govern the country and that any derogation from that principle is no better than a regrettable necessity.



Goodbye to the Lobby! E. C. Staepole, CBE ("Stackle"), former Press Association political correspondent, leaving Westminster in 1966 after 30 years as a lobby journalist. For some years this picture hung in the Lobby's private room in the Commons.

Control of dividends

Mr. P. Franklin.

The debate over the control of dividends and the role of shareholders has been a long one, and I should like to make a few observations on it. I have read Mr. Owen's article (London, May 17).

The logic of dividend control ought to be clear. If it is to be a means of economic (inflationary) pressure, it must be applied to the retention of profits. If it is to be a means of increasing investment, it must be applied to the distribution of profits. If it is to be a means of increasing the share of income retained between labour and capital, it must be applied to the retention of profits.

In the U.K. all these reasons have been considered and extended at one time or another. Support of any of them, however, involves major inconsistencies or simplicities of thought.

Why, other things being equal, would increased dividend payments be any more inflationary than increased payments to shareholders? (They are likely to be so.)

If we support the notion of a market economy, then surely there is no room for restraints beyond those that the market flows. If the capital market is imperfect, unwilling or unable to provide investment funds, the best form of correction or intervention is a control on dividends. In any case, industry is working below capacity and we are exhorted to invest in neglected areas. It is not clear why dividend control is necessary.

Equitable returns

From Mr. G. Osborne Bartram.

Sir, — Lombard's comment (May 17) regarding the shareholder is particularly apposite. I believe the standards have become so fogged in the minds of many incumbents of the boardrooms of some of our larger investment/trading companies that they have forgotten the meaning of equitable returns to shareholders funds.

Certainly I find it difficult to find any company other than ICI in your listed band of equities that I could advise my mother to purchase during the last three years as a stock that would keep pace with inflation, and would also, subject to Government restraints, yield an equitable return over a period of years due to the integrity of company policy on dividends.

As a small shareholder I find I am being forced to only hold shares for capital gains as in these times of inflation, investments where I have backed management through thick and thin have been taken over in the thin times by pedestrian larger organisations where share, dividend, and management performance in fact does not match up to investing in National Savings.

What an outlook for risk capital!

G. D. Osborne Bartram, *Mildford House, Wick, Bristol.*

Invisible earnings

From the Director-General, Committee on Invisible Exports.

Sir—We were appalled to see the advertisement you carried on page 7 yesterday which compared the contribution to Britain's balance of payments of: (a) invisible earnings; (b) car exports; (c) natural gas; (d) steel exports.

British Gas claims it makes a greater contribution than invisible exports. This is totally inaccurate. Gross private sector exports of British Gas to have amounted to £12.5bn. gross and net (not earned) £2.3bn. We have already written to the chairman of British Gas explaining his unfortunate error.

William M. Clarke, *Committee on Invisible Exports, 7th Floor, The Stock Exchange, London, E.C.2.*

Philately denied

From Dr. L. Symons.

Sir—Our Post Office has today sunk a further stage into the twilight of inefficiency, misrepresentation and half-truths. Shortly after its opening I was at the counter of our district post office to purchase sets of the May 11 issue marking the Silver Jubilee. I was particularly interested in the item clearly advertised in the Post Office literature: "A presentation pack and a souvenir pack containing the four stamps will also be on sale priced 52p and £1.50 respectively." I wanted two of the latter to send to friends in the Commonwealth and another for myself. There were none on sale, so I telephoned the head office in Swansea and was told that there were none to be had in South Wales. A few days later I had been sent had apparently been snapped up either before sales officially began or within minutes of the post office opening.

This is not the first time this has happened. It occurred with the issue of the 25p silver stamp in June 1975, and the latter case two only were sent out to our district office and they never went on sale. Following my appeal to the head office I was in that case able to obtain my requirements, but I am assured that this is not possible this time. No doubt these scarce items will be on sale through dealers in due course at grossly inflated prices.

I have long been exasperated with the Post Office on many counts, but I have never been so disappointed as a private collector of its stamps, in spite of having to be at the post office door at 9 a.m. on days of new issues to be sure of getting even the stamps themselves, for in this neighbourhood they are always sold out. No more this annoyance for me, nor shall I squeeze more scarce time and money to obtain stamps by correspondence and ordering through dealers or the Philatelic Bureau (for which I must write to Edinburgh). There are too many other claims for both cash and time, so the Post Office will lose one more customer prepared to pay light—but not a premium—to buy its products additional to postage needs.

(Dr.) Leslie Symons, *17, Wyckwood Close, Langland, Swansea.*

Chemists' closures

From Mr. J. Goldman.

Sir—As pharmacy brokers and stockholders we are required to annually review ethical stocks held by pharmaceuticals and our findings are contrary to those of the Department of Health (Stuart Alexander, May 18). It is our experience, in monitoring stocks held in a wide range of chemist shops throughout the U.K. that stock levels have generally kept pace with inflation and in many instances exceed it.

The Department's proposal to reduce the return paid to the chemist on capital employed, is the second "front" opened against the chemist and is likely

Pensions clawback

From the Assistant Secretary, National Union of Bank Employees.

Sir—I refer to the balanced and considered debate in your letter columns this week between members of NUBE. There were, however, several questionable observations upon the current industrial dispute in Standard Chartered Bank contained in the letter from Mr. P. Griffin (May 17), which have been admirably answered by the letters from other union members employed by the bank which you have also published.

As the paid official of the union whom Mr. Griffin impugns as being directly concerned in the dispute, I would like to assure both he and your readers that this union's most rigorous constitutional procedures have been fully observed in authorising the direct action which has been requested by its members in view of the outcome of a well-attended branch meeting and a secret ballot of the entire union membership employed by the bank. NUBE's national executive committee voted by a majority to authorise the action. In doing so, I would suggest that it was also mindful of the national policy decision democratically taken by the union's annual conference for the past two years, that pensions clawback proposals are an unacceptable reduction of the financial security of our members in

Letters to the Editor

ever political party is in power. In any case, any consequent nationalisation will be more inclusive and less messy.

The institutions and the capital markets therefore have a well-defined objective. As a matter of urgency they must start looking the small investor back to the market, if they want to survive.

Peter J. Franklin, *Department of Economics and Banking, City of London Polytechnic, 24, Moorfields, E.C.2.*

Control of dividends

the issues of just-rewards to shareholders are confused by the fact that all shareholders (the normative is capitalists) are alike cigar-smoking individuals. Some are. But because stereotype is the antithesis of the sorts of equities liked by "productive" classes, then dogs suppose shareholders did not be rewarded, or rewarded very little.

The share-of-the-cake issue for the chunk consumed by management. It also forgets that the vast majority of shareholders supporting the firm's future growth and growth.

The major fallacy contributing to the support of dividend control concerns the share-of-the-cake to be distributed to labour. For in their enthusiasm to get their members in need pay packets, trade unionists are forgetting their members are also shareholders—holders by virtue of the long and private schemes to which they belong. Thus when the union officials bargain for increased share of the cake, they are bargaining against a large number of their own members involved in these public and private schemes. It is not surprising that this is the case. The union members are not the same as the union officials. It may be that the union system in which they are bargaining for to-day's pay versus to-morrow's (retirement) income, is antithetical to the keeping to rules in that they do not really want to play. If this hypothesis is true, as Geoffrey Owen says, the sequence is the demise of the market as we know it, process is unlikely to be sudden, but if the small investors continue to decline in importance, then the concentration of financial power in the hands of a few institutions will require revision and control, what security of our members in

Equitable returns

retirement and should be resisted as such.

In this particular instance we are dealing with a bank whose operations are highly profitable, such that its ability to fund its pension commitments to our members cannot be in doubt. Additionally, its proposal is particularly galling when one remembers that the bank gained the prestigious Queen's Award to Industry last year for the effort and ability of its employees, for whom the prospect of pension clawback represents poor reward. I would suggest to Mr. Griffin that his colleagues' action in the current dispute with the bank arises out of the unshakable conviction of responsible people that obligations attach to both parties to the employment contract, and ought to be honoured. Since the dispute began, the union has indicated its willingness to meet the bank in order to try to resolve the dispute, but it has not as yet responded.

Finally I would agree with Mr. Croghan's view (May 19) that the central issue relates to the fact that our members are denied the right to discuss pension matters at the negotiating table. I cannot, however, accept his inference that this unsatisfactory situation reflects some lack of commitment in the union's efforts to gain negotiating rights. Strong union claims on this matter have consistently been rejected by the bank for several years, and currently NUBE is utilising statutory procedures to seek to have its recognition extended to include the subject of our members' deferred pay.

Steve Gamble, NUBE, *Sheffield House, Portsmouth Road, Esher, Surrey.*

Invisible earnings

From the Director-General, Committee on Invisible Exports.

Sir—We were appalled to see the advertisement you carried on page 7 yesterday which compared the contribution to Britain's balance of payments of: (a) invisible earnings; (b) car exports; (c) natural gas; (d) steel exports.

British Gas claims it makes a greater contribution than invisible exports. This is totally inaccurate. Gross private sector exports of British Gas to have amounted to £12.5bn. gross and net (not earned) £2.3bn. We have already written to the chairman of British Gas explaining his unfortunate error.

William M. Clarke, *Committee on Invisible Exports, 7th Floor, The Stock Exchange, London, E.C.2.*

Philately denied

From Dr. L. Symons.

Sir—Our Post Office has today sunk a further stage into the twilight of inefficiency, misrepresentation and half-truths. Shortly after its opening I was at the counter of our district post office to purchase sets of the May 11 issue marking the Silver Jubilee. I was particularly interested in the item clearly advertised in the Post Office literature: "A presentation pack and a souvenir pack containing the four stamps will also be on sale priced 52p and £1.50 respectively." I wanted two of the latter to send to friends in the Commonwealth and another for myself. There were none on sale, so I telephoned the head office in Swansea and was told that there were none to be had in South Wales. A few days later I had been sent had apparently been snapped up either before sales officially began or within minutes of the post office opening.

This is not the first time this has happened. It occurred with the issue of the 25p silver stamp in June 1975, and the latter case two only were sent out to our district office and they never went on sale. Following my appeal to the head office I was in that case able to obtain my requirements, but I am assured that this is not possible this time. No doubt these scarce items will be on sale through dealers in due course at grossly inflated prices.

I have long been exasperated with the Post Office on many counts, but I have never been so disappointed as a private collector of its stamps, in spite of having to be at the post office door at 9 a.m. on days of new issues to be sure of getting even the stamps themselves, for in this neighbourhood they are always sold out. No more this annoyance for me, nor shall I squeeze more scarce time and money to obtain stamps by correspondence and ordering through dealers or the Philatelic Bureau (for which I must write to Edinburgh). There are too many other claims for both cash and time, so the Post Office will lose one more customer prepared to pay light—but not a premium—to buy its products additional to postage needs.

(Dr.) Leslie Symons, *17, Wyckwood Close, Langland, Swansea.*

Chemists' closures

From Mr. J. Goldman.

Sir—As pharmacy brokers and stockholders we are required to annually review ethical stocks held by pharmaceuticals and our findings are contrary to those of the Department of Health (Stuart Alexander, May 18). It is our experience, in monitoring stocks held in a wide range of chemist shops throughout the U.K. that stock levels have generally kept pace with inflation and in many instances exceed it.

The Department's proposal to reduce the return paid to the chemist on capital employed, is the second "front" opened against the chemist and is likely

Pensions clawback

From the Assistant Secretary, National Union of Bank Employees.

Sir—I refer to the balanced and considered debate in your letter columns this week between members of NUBE. There were, however, several questionable observations upon the current industrial dispute in Standard Chartered Bank contained in the letter from Mr. P. Griffin (May 17), which have been admirably answered by the letters from other union members employed by the bank which you have also published.

As the paid official of the union whom Mr. Griffin impugns as being directly concerned in the dispute, I would like to assure both he and your readers that this union's most rigorous constitutional procedures have been fully observed in authorising the direct action which has been requested by its members in view of the outcome of a well-attended branch meeting and a secret ballot of the entire union membership employed by the bank. NUBE's national executive committee voted by a majority to authorise the action. In doing so, I would suggest that it was also mindful of the national policy decision democratically taken by the union's annual conference for the past two years, that pensions clawback proposals are an unacceptable reduction of the financial security of our members in

Letters to the Editor

ever political party is in power. In any case, any consequent nationalisation will be more inclusive and less messy.

The institutions and the capital markets therefore have a well-defined objective. As a matter of urgency they must start looking the small investor back to the market, if they want to survive.

Peter J. Franklin, *Department of Economics and Banking, City of London Polytechnic, 24, Moorfields, E.C.2.*

To-day's Events

GENERAL: Retail price index for April issued by Department of Employment.

Mr. Walter Mondale, U.S. Vice-President, ends two-day talks in Vienna with Mr. John Vorster, South African Prime Minister.

EEC and Japan complete two-day exchange of views on world economy and reciprocal trade relations, Tokyo.

Strategic arms limitation talks between U.S. and USSR continue, Geneva.

The Queen and Duke of Edinburgh pay Jubilee visit to Aberdeen.

Prime Minister visits University College, Cardiff.

Mr. Eric Varley, Industry Secretary, addresses annual conference of South Derbyshire Miners.

and Ceramic and Allied Trades Union, Blackpool.

U.S. expected to announce voluntary agreement with Japan on television exports.

Union of Post Office Workers' conference ends, Bournemouth.

Mentmore Towers sale continues.

PARLIAMENTARY BUSINESS: House of Commons: Private Members' Bills.

COMPANY RESULTS: Debenhams (full year). Ever Ready (Holdings) (full year). House of Fraser (first quarter).

COMPANY MEETINGS: Ault and Wiborg, 71, Standon Road, S.W.12. Brown and Jack-

son, Blackpool, 12. Coltness Group, Glasgow, 12. Dinkie Heel, Bristol, 12. Liley (F. J. C.), Glasgow, 12. Macfarlane Group (Clansman), Glasgow, 12. Midland News Association, Wolverhampton, 12. Reckitt and Colman, Connaught Rooms, W.C. 11. Sandeman (Geo. G.), Connaught Rooms, W.C. 12. Spear and Jackson, Chartered Accountants' Hall, Moorgate, E.C. 12. Storey Bros., Lancaster, 12. Tripletter, 117, Old Broad Street, E.C. 12.

SPORT: Golf: Sun Alliance match-play championships. Stoke Poges: Welsh women's championships, Aberdovey. Bowls: Women's world championships, Worthing.

Palace (all year). Paintings by Sir Winston Churchill, Knoedler Gallery, 143, New Bond Street, W.1 (until June 3). Native Gothic Art from Cologne, National Gallery, W.C.2 (until June 11).

LUNCHTIME MUSIC: Professor Gordon Phillips gives organ recital, All Hallows-by-the-Tower, Byward Street, E.C.3, 1.15 p.m.

Garry Humphreys (baritone) and Patricia Williams (soprano), St. Mary-at-Hill, Lovat Lane, Eastcheap, E.C.3, 1.15 p.m.

SPORT: Golf: Sun Alliance match-play championships. Stoke Poges: Welsh women's championships, Aberdovey. Bowls: Women's world championships, Worthing.

We have always been 'at home' in many places around the world.

London, New York, Hong Kong, Tokyo, Hamburg, Rio de Janeiro, Amsterdam, Singapore, Jeddah, Bahrain, Athens, Montevideo, Jakarta.

And now in our modern new building in Jakarta as well.

ABN Bank is more 'at home' in Indonesia than any other international bank. We have the longest local experience.

Mr. M. W. van Hulzen is the manager. Manages his affairs together with his staff of 170 employees in his bright, modern building. Equipped with the latest facilities to provide fast, thorough banking services. There is even a direct satellite link with Europe and the financial centres in Singapore, Hongkong, Tokyo, New York. Hundreds of international companies already use ABN as their bank in Indonesia. It is a rich market, and rich in natural resources. Mr. van Hulzen and his staff have all the right contacts and can arrange the introductions you need.

ABN is 'at home' in 40 countries. That is the way we have done business for over 150 years. And as long as you like it, that is the way we will continue.

Apply for our latest report on Indonesia. ABN Bank, Jalan K. H. Dj. Jusada 23, P.O. Box 2950, Jakarta, Indonesia, Telephone: 36 23 65, telex 4412.

London, Chief Office, 61, Threadneedle Street, EC2P 2HE, P.O. Box 503, Telephone (01) 628 4272, telex 887366.

ABN Bank

Vrijheidsstraat 32, Amsterdam, The Netherlands.

COMPANY NEWS + COMMENT

Trafalgar's £7m. advance in first half

BROADLY IN line with the progression anticipated, profits before tax of Trafalgar House Investments for the half year ended March 31, 1977 have increased by nearly £7m. to just over £21m. Profit from the sale of ships has almost trebled.

HIGHLIGHTS

Beecham has shown substantial growth in 1976-77 with pharmaceuticals particularly strong along with overseas activity. Boots is some 26 per cent. higher pre-tax with again overseas business—up 40 per cent.—proving a useful boost.

Gross income totalled \$4.36m. (\$4.18m.), and the net balance came out at £1.95m., against £1.2m. after tax of £0.95m.

No growth so far at Brockhouse

ALTHOUGH sales rose by 11 per cent. to £30.51m., pre-tax profits of Brockhouse for the six months to end March, 1977 show little change at £1.02m. compared with £1.1m.

Chairman Mr. Nigel Brockes says he maintains a mood of qualified optimism supported by the confidence that a reasonable trend of profits growth will continue, and should improve again if there is a return to what "we all used to regard as stable conditions for normal growth throughout the world."

Sales during the current year will exceed £500m. for the first time, with an estimated 45 per cent. in foreign currencies. In the first half turnover advanced £5m. to £230m.

Other large companies have started to do. Trafalgar House's interim profits are 50 per cent. higher before tax and as expected the biggest boost has come from shipping.

The directors are of the opinion that it would better reflect the standing of the company if the 10p Ordinary shares were consolidated into 25p Ordinary shares. Details of the proposals and necessary resolutions to implement this will be circulated to shareholders.

Mr. A. C. Darby, the chairman, says that despite some corrective government action the steel division has succeeded in a world wide surplus of steel, intensified by a consequential inflow of dumped prices and has been unable to match the high contribution to profits that has long been its habit.

The value of orders on hand at the end of March was 8 per cent. higher on the year. In France, the Lorraine factory has now been sold. Brockhouse's share in South Africa is not being run to expectations, reports Mr. Darby.

Most of the other divisions have done well, he adds. The value of orders on hand at the end of March was 8 per cent. higher on the year.

Mr. Darby will be retiring from the Board on September 30. His successor will be Mr. R. J. H. Wainwright who will retain his office of managing director.

The first half profits from Brockhouse are marginally down and the shares fell 2 1/2p yesterday to 55p. Competition from imports in steel angles counter-balanced the better profits in other divisions.

Record £10m. at Coalite

A SECOND HALF advance from £4.18m. to £5.23m. put Coalite and Chemical Products £10m. ahead for the year to March 31, 1977, at a record £10.21m. before tax. Turnover was up from £55m. to £57.43m.

Earnings per 10p share are shown as 3.475p against 3.205p, and the net final dividend of 0.385p lifts the total by the maximum permitted from 0.6636p to 0.75p. The directors state that a small additional payment will be made with the 1977/78 interim dividend if the tax rate is lowered.

The directors are of the opinion that it would better reflect the standing of the company if the 10p Ordinary shares were consolidated into 25p Ordinary shares. Details of the proposals and necessary resolutions to implement this will be circulated to shareholders.

Witan earns & pays more. From earnings of 1.89p per 25p share for the year ended April 30, 1977, compared with 1.55p, Witan Investment Company is raising its dividend from 1.55p to 1.9p net, the final being 1.1p.

Witan Investment Company is raising its dividend from 1.55p to 1.9p net, the final being 1.1p.

Witan Investment Company is raising its dividend from 1.55p to 1.9p net, the final being 1.1p.

Witan Investment Company is raising its dividend from 1.55p to 1.9p net, the final being 1.1p.

ISSUE NEWS

Bowater calls for £32m. to pay more

Bowater is to raise £32m. by way of a rights issue of 19,558,362 Ordinary shares to holders of both the equity and the 7 per cent. convertible secured loan stock, 1992-97.

Greenfield Millets. Greenfield Millets, the leisure wear and sporting retail group, is raising £267,428 by way of rights issue, and it intends to increase the current year's dividend by nearly 60 per cent.

LASMO raising £30m. London and Scottish Marine Oil, which has a stake in the Marine Oil Corporation (MOC), is raising £30m. by way of a rights issue of 1,500,000 shares.

PILKINGTON. Pilkington Brothers has indicated to Rockware Group that it will be taking up its entitlement under the one-for-four rights issue.

RIGHTS RESULTS. Heworth Ceramic Holdings' offer of 25m. shares to raise £11m. on the basis of one-for-four at 47p each has been taken up as to 92.51 per cent.

SUNDERLAND OVERSUBSCRIBED. The issue of £15m. of 12 1/2 per cent. Redeemable Stock 1984 by the Borough of Sunderland was heavily oversubscribed yesterday.

Utd. Guarantee trading profitably. Mr. H. W. King, chairman of United Guarantee (Holdings), says that a new management structure, created almost entirely from within the group, is already confirming his view of potential profitability and unshared figures for the first six months of the current year reveal that the group is trading more profitably at the interim stage than in any year previously.

M. F. North. First quarter results at hotel owners M. F. North are up to those achieved in the same period of 1976 says Sir Cyril Black, the chairman and increased operating costs have been fully covered by increased revenue.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date of payment, Corrected payment, Total for year. Includes Beecham Group, Boots Co., Brockhouse, Coalite and Chemical Products, etc.

UDS finishes with £16.18m.

AFTER FALLING from £35m. to £23.7m. in the first half, pre-tax profits of retail shop and department store owners UDS Group finished the year to January 23, 1977, at £16.18m. compared with £16.15m. turnover, net of VAT, was some £20m. higher.

Halfway fall for Barton Transport. Despite an increase in retail sales in the week ending March 1, Barton Transport has fallen into an operating loss of £33,700 compared with a profit of £33,700.

A Complete Commodity Service. The risks (and possible rewards) in trading commodity futures today are greater than ever before and it is important that those involved be kept informed daily, if not hourly, of prices and background news.

CCST. Commodities Ltd. Walsingham House, 35 Seething Lane, London EC3N 4AH.

THE DELTA GROUP

A major international group manufacturing building products, electrical equipment, engineering components and non-ferrous metals

Encouraging start to 1977

Some points from Lord Caldecote's statement to Shareholders at the Annual General Meeting on 19 May 1977

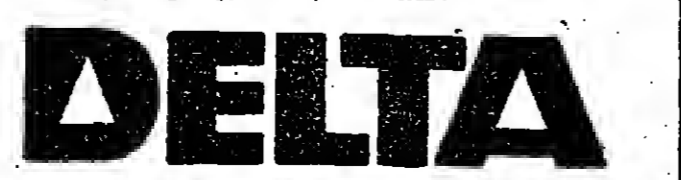


Lord Caldecote, Chairman

- * Trading profit for the first quarter substantially higher than for the same period last year
* Exports continue to do well
* Some increases in U.K. sales volume

E.G.M. At an Extraordinary General Meeting immediately following the Annual Meeting, a resolution enabling employees to participate in a save-as-you-earn share option scheme was approved.

Copies of the full report and accounts and Lord Caldecote's statement to Shareholders at the Annual General Meeting are available from the Secretary, The Delta Metal Company Limited, 1 Kingsway, London, WC2B 6XP.



ELBAR INDUSTRIAL LIMITED

Results and extracts from the Hon. A. L. Hood's review issued with the Company's report and Accounts for the year ended 31st December, 1976

Table with columns: Results, 1976, 1975. Includes Turnover, Operating Profit, Profit before Taxation, Profit after Taxation, Dividends, Earnings per Share, Dividends per Share.

There was a further improvement in sales and profits throughout the Scottish operation in 1976. There has also been further expansion of activities and facilities, notably in the Industrial Division at Elgin and the retail stores.

Coats Patons exceeds forecast by £12m.

AGAINST THE forecast of at least £44m, profits of Coats Patons in 1976 came out at £76.5m. And in the current year the directors are looking for more growth.

In the second half of 1976 the profit was £44.8m, and latest estimates suggest that this rate would be sustained throughout '77, the directors tell members.

World sales in the first quarter of '77 rose 13 per cent above the same period of 1976. Despite this, signs of further recovery in world trade are not yet convincing and, indeed, sales in Western Europe are currently below last year's levels.

Their confidence is strengthened by the evidence that recession has been carried out and the constant drive for improved efficiency are helping to contribute towards improved profitability.

Sales in 1976 rose by 28.3 per cent to £615m, made up of average volume increase of 9 per cent, price rises 9.7 per cent, and a change in mix of £25.5m. The export division reported a profit of £159m, against £40.5m. Trading profit advanced from £44.2m to £65.7m, assisted by an exchange rate of £2.42m.

The recovery was world wide and was above average in the U.K., although from a particularly dismal base in 1975. Trading margins rose from 9.1 per cent to 12.7 per cent of sales.

Earnings are shown at 15.9p (15p) per 25p share. The final dividend is 15.77p to make a total of £2.166p (£2.61p). The company has been advised officially that it does not qualify for exemption from dividend controls permitted for overseas traders.

1975	1976
Turnover	£615.000
Interest paid	£3.229
OH goodwill	£0.000
Finance profit	£0.000
Investment income	£0.000
Surplus assets sold	£0.000
Other	£0.000
Profit before tax	£62.000
Taxation	£16.200
Investment	£0.000
Minority	£0.000
Extraordinary losses	£0.000
Available	£45.800
Dividend	£29.750
Retained	£16.050
After: £14.7m. (£14.5m). Depreciation	
Losses	

The substantial fall in the interest charge was a result of improved liquidity and a lower average rate of interest of 8.1 per cent, compared with 9.8 per cent. The large increase in associated intangible assets is almost entirely due to a turnover in India from a £290,000 loss to a £1.51m profit.

The extraordinary loss represents a deficit of £787,000 predominantly arising from the cessation of industrial yarn production at Darlington, offset by the liquidation of Coats Patons (Retail).

Cost of sale adjustment, excluding depreciation, on the Darlington factory would reduce trading profits to £58.5m. Cash flow for the year was £66.23m (£60.43m). Inflation increased working capital requirements by £23.26m (£20.56m). Fixed capital investment, together with acquisitions, took £23.81m (£24.4m). Quantities of inventories were reduced by £5.6m (£34.6m) despite the increase in volume sales.

See Lex

£35.6m. growth for Beecham

FOR THE year ended March 31, 1977, sales of the Beecham Group expanded by £154.2m. to £720.8m, and profits before tax were ahead by £35.6m. to £126.5m.

Exchange rate changes in the year have had the effect, when expressed in sterling, of increasing the results of overseas subsidiaries for 1976-77 of increasing group sales by £37.5m. and trading profit by £8.4m.

Earnings are stated to be up from 34.88p to 47.7p per 25p share. The final dividend is 3.22p for a net total of 6.06p, the maximum permitted. The payable date of the final is being delayed until August 19 so shareholders can have the full benefit of any reduction in ACT—if the rate is cut by the suggested amount the final actually payable would be 3.32p. A recent application by the group for exemption from dividend restraint based on the overseas content of profits and net assets has been rejected by the Treasury.

There was a net exchange adjustment of credit £0.6m. (debit £0.4m) which arose from average exchange rates in far as they related to net tangible assets of overseas subsidiaries and to non-starting long term liabilities and bringing loans. The adjustment has been taken direct to reserves.

See Lex

Pyramid reaches peak £0.2m.

FOLLOWING a forecast of a result not materially different from 1975, Pyramid Group (Publishers) has turned in pre-tax profits up from £167,855 to a record £200,885 for 1976 on turnover of £750,340 compared with £698,771.

Earnings are shown to be up from 8.7p to 9p per 10p share and the dividend is lifted from 2.012p to 2.1785p net with a final of 1.8485p. Dividends absorbed £36,626 (£38,000) after waivers of £7,940 (£4,240).

1975	1976
Turnover	£750,340
Trading profit	£151,197
Interest received	£5,226
Profit before tax	£156,423
Taxation	£15,226
Minority	£0.000
Minority loss	£0.000
Interim dividend	£1,700
Amount waived	£3,226
Proposed final	£2,178
Amount waived	£0.000
Realised	£4,177

See Lex



The International Pneumatic Tool Specialists

The Chairman, Mr. R. C. Desoutter, included the following comments in his statement published with the 1976 accounts:

"A marked improvement in your Company's trading in the second half of 1976 enables me to report record levels of turnover and profits for the full year. Our employees in the United Kingdom and overseas and our distributors are to be congratulated upon this commendable result.

The higher level of orders received in the second half of 1976 has continued in the first three months of 1977. If that level is sustained and notwithstanding further inflation in operating costs, the profits for 1977 should be at least as good as those of 1976."

	1976	1975
Turnover up 30% to	£13,456	£10,290
Profit before tax up 46% to	2,557	1,748
Net Profit after tax attributable to Ordinary Shareholders	1,229	899
Earnings per Ordinary Share	27.38p	20.03p
Dividend per Ordinary Share inclusive of Tax Credit	15.38p	12.06p

Exports continue to increase—more than 70% of industrial tools manufactured in United Kingdom were for export.

Desoutter Brothers (Holdings) Limited
LONDON, NW9 6ND

Continued progress at Croda

THE CHAIRMAN of Croda International, Mr. P. A. S. Wood, says that he expects to see a pattern of continued growth and a positive future, despite the exceedingly uncertain nature of the world.

Sales in 1976 rose by 15 per cent to £132m. in the year to January 1977, against £129m. and paid dividend of 9.8945p net per share. The chairman says that these results were satisfactory for what was a fairly difficult year.

Trading conditions in the U.K. are a little improved and most divisions took advantage of this to increase sales and profits.

Exports from the U.K. were particularly strong, showing an 83 per cent gain over 1975 to a total of £35m. in value, Mr. Wood says.

The divisions specifically concerned with specialised chemicals—oleochemicals and synthetic chemicals—did particularly well in the second half of the year.

The synthetic chemicals division, a major activity of Midland-orkshire, which joined the group little less than two years ago, struck in a creditable performance, members are told. The important paracetamol operation is able to take advantage of the sharp demand after the severe winter of 1976, it is stated.

Mr. Wood goes on to say that the resins division maintained its excellent growth record, despite a serious fire in one of the sectors. The venture into drilling and other specialised drilling for the oil industry, although still on a relatively small scale, is now firmly established and growing rapidly.

In the hydrocarbons division the sales of fairly heavy waxes suffered with the failure to extend smokeless fuel regulations into new areas has accentuated the shortage of the key raw material, crude tar.

The plastics division improved its 1975 performance, with a substantial part of the improvement derived from export sales.

The adhesives division, with its recent expansion of maleic acid production, proved to have been timely and the plant output was fully sold.

The food products division is now established as a useful profit centre. In the agricultural division, attention is now being directed towards developing applications for

Midterm upsurge at Jessups

REPORTING pre-tax profits more than doubled from £28,250 to a record £288,000 for the half year to February 28, 1977, Mr. Alan Jessup, the chairman of motor dealers etc Jessups (Holdings) says that the improvement should continue in the second half and with the added advantage of substantially lower interest rates, a year-end profit of at least £500,000 is anticipated, compared with £312,603 for 1976-7.

The interim dividend is lifted from 0.39p to 0.5p net per 10p share so as to reduce disparity

Industrial & General revenue rise

Gross income for the year ended March 31, 1977, of Industrial and General Trust was up from £7.77m. to £7.82m. and net revenue emerged as £3.16m. (£2.65m.).

Earnings are stated as 1.54p (1.37p) per 25p share and the final dividend is increased to 0.83p (0.82p), making a net total of 1.48p (1.34p).

Net asset value per share at March 31 was 80.5p (56.3p).

More growth projected by T. C. Harrison

Another record year is in prospect for car, commercial vehicle and earthmoving equipment distributor, T. C. Harrison. This forecast by Mr. T. C. Harrison, the chairman, follows on the 52 per cent advance in profits which has already been reported for 1976.

The chairman tells members in his annual statement that the company has made a good start to the current year and unaudited profits for the first quarter are well in excess of the corresponding period last year.

He reports that the company has now completed the construction of two new buildings at a cost of £130,000 to house enlarged JCB operations at Sedgfield in Cleveland and Goss in Yorkshire.

In the year under review profits of the car division increased by some 94 per cent, but this was offset to a certain extent by a decline in commercial division profits.

In the earthmoving division there has been some rationalisation necessary as a result of the increased size of the company's territory in 1973 and early 1976. Problems arising were resolved by the time operations in the much enlarged area commenced.

Meeting, Sheffield, on June 13, at 2 p.m.

United Newspapers: Current trading well ahead of last year

1976-Profits up in spite of stoppage Lord Barnetson's report

In reporting to you at this time a year ago, I pointed out that the company's profits were running significantly ahead of the corresponding period of 1975. This was reflected in the results for the six months to the end of June, which showed a rise of almost 19 per cent. In the middle of the third quarter, however, our newspapers were brought to a standstill by industrial action, which lasted for almost a fortnight and cost around £500,000 in lost revenue and continuing overheads.

As you would expect, this impaired our overall performance in what would otherwise have been quite a reasonable year. As it is, there are pre-tax profits of £3,933,000, compared with £3,613,000 for 1975, a rise of 8.8 per cent. After taxation, there are equity earnings of 129.2 per cent, equivalent to 32.3p per Share, compared with 30.4p for 1975. At the year end, the company's cash resources amounted to £5,842,000.

Your total dividend for the year has been increased by the maximum allowed under present restrictions. Including the Interim already paid, it amounts to 12.5157p per Ordinary Share, equivalent to just over 77 per cent gross, and is 2.58 times covered.

As a result of the continuing rise in costs, including newsprint once again, some further increase in cover prices may be unavoidable during the course of the current year.

Capital Investment

As part of a phased and gradual programme of development, over £11 million was spent during the year in improving the company's production facilities, with special emphasis on what is known as the new technology. At a cost of around £5 million, the company's major capital project, of course, is at Northampton, where we expect to be operational by the middle of next year in our new premises. As I advised you a year ago, it is hoped that the bulk of this expenditure will be met out of normal cash flow.

Periodicals and Books

Profits from the Farming Press showed a substantial uplift on the record figure for 1975. The monthly journals—Arable Farming, Pig Farming, and the Dairy Farmer—continued to dominate their particular sections of the market, and further progress has been made during the current year. Their associated book publishing activities have been equally successful, with rising sales for agricultural and veterinary titles both at home and overseas, including a wide range of foreign language translations.

Mention must also be made of The Countryman, which now celebrates the fiftieth anniversary of its foundation by the celebrated Robertson Scott. It is such an agreeable institution that one might hesitate to measure its success in pure commercial terms, but the fact is, happily enough, that its sales and its profitability are higher than ever.

Punch Publications significantly increased their contribution for the year, not only through the magazine itself but also through its distribution and syndication services, its book publishing, and related activities.



Staff Pension Schemes

In 1970 and again in 1973, major improvements were made in the range and scale of benefits payable to employees under the company's pension schemes. Subject to the relaxation of the present counter-inflationary measures, it is proposed to introduce further improvements as from March 1978. On that basis the company's arrangements will be in all respects at least as favourable as the State Pension Scheme due for implementation next April; and with the concurrence of employees and trade union representatives, it is intended to contract out.

Forward Outlook

The company's profits for the first 18 weeks of the year are over 25 per cent ahead of what they were at this stage in 1976, and the underlying trend is quite encouraging. Subject only to the usual reservations about the performance of the national economy as a whole, the results for the year are likely to show a satisfactory improvement.

Summary of Results

Year ended 31st December

	1976	1975
Profit before taxation	3,933,000	3,613,000
Profit after taxation	2,300,000	2,171,000
Ordinary dividends*	77.01%	70.01%
Retained in the Group	1,527,000	1,307,000
Ordinary dividend cover	2.58	2.67
Earnings per share	32.3p	30.4p

*Gross

The Annual General Meeting will be held at 23-27, Tudor St., London EC4 on Tuesday, 14th June, 1977 at 12 noon.

UDS GROUP LIMITED

Preliminary Statement of results for the year ended 29th January, 1977 (subject to completion of audit)

	1977	1976
	£000	£000
TURNOVER (including VAT)	315,319	294,859
PROFIT AFTER TAXATION	10,168	10,035
EXTRAORDINARY ITEMS	3,118	(1,338)
	13,284	8,697
DIVIDENDS	7,323	6,977
RETAINED PROFIT	5,961	1,720
Earnings per stock unit	6.7p	6.6p
Dividend per stock unit	4.8p	4.8p
Dividend cover	1.4	1.4

Whilst it is too early to make an accurate forecast for the current year, the Directors are of the opinion that the factors affecting results are at this time more favourable than in 1976.

Copies of the Annual Report and Accounts, when published, will be available from the Company Secretary, Marble Arch House, Seymour Street, London W1A 2BY (01-262 7789).

May 1977

Increase by London and Lennox

Gross revenue of London and Lennox, Investment Advice, rose from £456,577 to £581,205 in the year to March 31, 1977, and after tax of £127,450 against £89,044, net revenue advanced from £149,188 to £202,260.

Earnings per 25p share are shown to be up from an adjusted 1.941p to 2.648p and the dividend is lifted from 1.73p to 2.1p net with a final of 1.6p.

The net asset value is given as 90p (85p) per share.

Setback for Thomas Warrington

After falling from £102,060 to £73,000 in the first half, pre-tax profits of general building and public works contractors, Thomas Warrington and Sons finished 1976 down from £224,828 to £131,261. Turnover was £7,398m. compared with £8.08m.

After tax of £72,788 against £76,218, stated earnings dropped from 4.87p to 4.86p per 25p share. The dividend total is held at 3.1512p with an unchanged final of 1.9675p.

Challenging year for J. Compton

Members of J. Compton, Sons and Webb (Holdings) are forewarned by Lord Chestwood, chairman, that current year profits are unlikely to reach those for 1976 or 1975 which were £2.33m. and £2.23m. respectively.

However, he does say that the company has made a fair start to what is proving to be a progressively challenging year.

As a move towards the requirements of inflation accounting, a professional re-valuation of freehold land and buildings has been commissioned for the current year and plant and machinery registers are being supplemented and updated.

Meeting, Quaglin's, S.W., on June 16 at noon.

United Newspapers

Sunlight Service Group PRE-TAX PROFIT UP BY OVER 45% The following salient points are from the statement to shareholders by Mr. J. A. Franks, the Chairman...

S. JEROME & SONS (HOLDINGS) LIMITED Worsted Spinners & Manufacturers "1976 was a most successful year" William Jerome, Chairman

Peetage OF BIRMINGHAM LIMITED Extract from the Chairman's Report Export sales which maintained their improvement during the whole of 1976 made the major contribution to the increase in trading profits...

WOLF ELECTRIC TOOLS Extracts from the Chairman's Statement Group Turnover in the second half of the year justified the confidence expressed in the Interim Report...

MINING NEWS The cold logic of economics BY KENNETH MARSTON, MINING EDITOR "NEITHER the world, nor any part of it, will for long get away with consuming more than it produces...

U.K. long-term mining approvals opposed THE COUNTRYSIDE Commission is resuming its campaign to prevent the grant of the Environment Act...

DEARER GOLD HELPS DOME Higher gold prices this year have resulted in improved earnings for some of the major gold producers...

MONEY MARKET Further signal on rates Bank of England Minimum Lending Rate 8 per cent. (since May 13, 1977) The authorities gave a moderate amount of assistance to the London money market yesterday...

Boots advances by £18.9m. to reach £91m. SALES excluding VAT for the year to March 31, 1977 of The Boots Company expanded from £81.2m. to £100.1m. and pre-tax profits advanced from £27.2m. to £39.1m...

Peetage of Birmingham tops £0.4m. MANUFACTURERS of furnishing and domestic bragsware etc. Peetage of Birmingham reports turnover up from £2.3m. to £2.8m. for 1976 and an increase in pre-tax profits from £307,248 to £409,589 after a rise from £36,000 to £146,000 for the first half...

Utd. Newspapers well ahead so far IN HIS annual statement Lord Hailsham, chairman of United Newspapers, says that profits for the first 18 weeks of the current year are over 25 per cent ahead of 1976 and the underlying trend is quite encouraging...

Good start at Elbar Industrial The current year has started well for the Elbar Industrial group both in Scotland and England, states Mr. A. L. Hood, the chairman, in his annual report...

Sphere Inv. earns and pays more Income of Sphere Investment Trust for the year ended March 31, 1977, rose from £1.9m. to £1.89m. and revenue was £88,771 against £81,407. Earnings per 25p share are shown as 3.18p (2.89p) and the dividend is lifted from 2.2p to 2.5p with a net final of 1.75p...

Manders confident of progress IN SPITE of the uncertainties of the present economic climate, Mr. J. D. F. Manders, the chairman of Manders (Holdings), says in his annual statement that he is confident that the group will continue to make progress...

New phase in Bulgin's expansion MR R. A. BULGIN, chairman of electrical and electronic components maker A. P. Bulgin and Co., feels confident that the group has now entered a new phase of expansion for the future, based solidly on the achievements of the past...

NURDIN & PEACOCK Nurdin and Peacock, the cash and carry wholesalers, who recorded record sales and profits for 1976, announces the opening of two new square foot cash and carry warehouses, their 25th on May 23 at the Midway Industrial Estate, Lenton, Nottingham...

YKING RESOURCES INTERNATIONAL N.V. N.A.V. at 29.77 \$19.82 (O.Fi.48.06) BNP Nieuw, Hidding & Pardon N.V. Nieuw, Hidding & Pardon N.V. Nieuw, Hidding & Pardon N.V.

THOMAS S. ROEDER Vice-President DEAN WITTER INTERNATIONAL LTD. 7 Cleveland Row, St. James's, London, S.W.1. Tel: 01-920 0961

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION World Value of the Dollar The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, May 19, 1977...

Table of exchange rates for various countries including Australia, Canada, Europe, and Asia, listing currency, value of DLR, and bank of America rates.

Handwritten note: 100/100 15/50

Investment Trust Review

Published by The Association of Investment Trust Companies

The opinions expressed by contributors to this Review are their own and should not be assumed necessarily to reflect those of the Association

Advantages & responsibilities of a good investment medium

by Godfrey Chandler (Finance Partner, Cazenove & Co.)

Mr. Lewis Whyte mentioned his article last month the fact of the second war saw investment trust equity prices...

approaching a fashionable patch and within two years discounts were very small. By the Spring of 1972 average discounts were of the order of 5% and some overseas trusts...

asset values or income whilst ignoring many of the longer term fundamentals of policy. Take-overs It is legitimate for large insurance and financial companies...

variety of different ways, but there is no clear method by which success has been assured. During the periods of growth prior to 1972 much was heard about the need for management incentives based on capital performance...

ation of the fact that investment trusts are not subject to dividend limitation: the thirst after income is now evident after many years in which capital growth was the main aim. The companies were a little slow to see the changed requirements...

arc positively unhelpful. Others have recently followed a very constructive policy, especially with regard to smaller companies. Because investment trusts do not regularly have a flow of cash...

equally—mergers and acquisitions will probably come only gradually and slowly. (Between 1945 and 1977 the number of trust companies quoted was up by one-third in spite of many mergers.)

The movement may, therefore, have faults from the outsider's point of view: but for the genuine long-term investor it has few peers. All its results are open to scrutiny.

Around the Market

by Jonathan D. Carr L. Messel & Co.

The bid for English and Caledonian by European Ferries was probably the most significant single event in the market last month. Not only was it a continuation of the process of improving the supply/demand relationship...

A free booklet "Investing in Investment Trust Companies" is available from: The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London EC2M 7JL.

Net Assets Values

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Table with columns: Company Name, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value (at nominal rate, at market rate), Investment Currency Premium, Total Assets less Current Liabilities, and Net Asset Value after deducting prior charges (at nominal rate, at market rate). Includes sub-sections for VALUATION MONTHLY and VALUATION THREE-MONTHLY.

Notes on valuation methods, currency conversions, and company information. Includes details on how figures are calculated and where to find full financial statements.

APPOINTMENTS

International Money Management

at the corporate centre of a British group which makes a major contribution to the UK balance of payments through direct exports and diverse overseas activities.

• THE aim is to strengthen the Treasury Department by providing additional skills in the management of exchange risk, sterling and foreign currency dealing, project financing and cash control.

• THE requirement is for a strategist whose financial skills have matured in international commerce or industry. The professional background could be that of a top MBA with a basic degree or qualification in economics, banking or accounting.

• AGE—around 30. Remuneration—in five figures.

Write in complete confidence to Dr. R. F. Tuckett as adviser to the group.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

Commodity Account Executive to £8000 basic + commission

Ambitious account executive, 27-40, with at least three years experience to take up challenging new position, with a reputable commission house, offering real scope for both financial and career development.

Stephens Selection
35 Dover Street, London W1X 3RA. 01-493 0617
Recruitment Consultants

ACCOUNTANT

c. £6,000
An accountant is required for the Insurance Division of a major international group based in the City of London. Reporting to the Deputy Chief Accountant the job involves the preparation of insurance accounts, report and statutory insurance returns. The successful applicant will be aged under 30, preferably qualified or a finalist, and insurance accounting experience would be an asset. Benefits include L.V.s, free life, permanent health and medical expenses schemes together with a contributory pension. Please write with full details to Box 10, Cannon Street, EC4P 4BY.

INTERNATIONAL BANKING

One of the best established, and certainly among the most progressive, in Continental Europe in the City is very keen to add to its strength in the following areas—
EURO. LOANS ADMIN. c. £3,500
ACCOUNTING (2) £2,500-£3,500
F.X. INSTRUCTIONS/SETTLEMENTS to £3,500
Looking at the past, the Bank will expect you already to have sound experience of an appropriate type and level. With its thoughts very much on the future, it is especially anxious to find that you also have the potential to take advantage of the numerous career opportunities that it anticipates.
To discuss these possibilities in detail: Telephone John Chiverton, A.I.R., 01-739 4399. DAVID WHITE ASSOCIATES LTD.

ESTABLISHED FIRM OF MONEY/PROPERTY BROKERS seeks dynamic skilful NEGOTIATOR

able to deal on top level basis with financial institutions, banks, insurance companies, etc. This is an executive position. Age 26-40. Remuneration according to experience. Write in strictest confidence to Box A.5952, Financial Times, 10, Cannon Street, EC4P 4BY.

ANNOUNCEMENTS

WERNER ERDMANN will shortly be leaving Wuerthelbergische Kommanditgesellschaft, a German limited liability company, to take up the post of Deputy Director of First National Bank in Dallas, London branch.

PLANT AND MACHINERY

CHOICE OF OVER 100 USED FORK LIFT trucks, excavators, etc. in stock. Also a large range of new plant and machinery. Write in strictest confidence to Box A.5952, Financial Times, 10, Cannon Street, EC4P 4BY.

Deutsche Bank AG London Branch

INTERNATIONAL BONDS
In our expanding International Bond Department we require a
JUNIOR-TRADER
Applicants in their twenties should have some experience in dealing in Eurocurrency bonds and should be familiar with the technical aspects of the market.
Salary commensurate with experience plus fringe benefits.
Please reply in confidence to (Mrs. Slavik)
Deutsche Bank AG, London Branch
10 Moorgate, London EC2P 2AT
Telephone: 01-606 4422

INVESTMENT ANALYST

We are a young and growing firm of institutional Stockbrokers in the City. We are expanding our Research Department coverage and are seeking an analyst who will have been researching leading shares for at least two years. He/she will have a flair for the market, initiative in share evaluation, a fluent writing style and a competent telephone manner.
The successful candidate will command a competitive salary, commensurate with his/her experience.
Please write in strictest confidence giving details of experience to Box A.5962, Financial Times, 10, Cannon Street, EC4P 4BY.

MANAGING DIRECTOR

for established importers of a leading continental beer. Location London. Knowledge of trade essential and managerial and sales experience looked for. Unique opportunity including possibility of acquiring a share interest after a trial period. Salary £7,000 upwards, according to experience and qualifications.
Write Box A.5956, Financial Times, 10, Cannon Street, EC4P 4BY.

INTERNATIONAL APPOINTMENTS

LIBYAN ARAB REPUBLIC HIGHER INSTITUTE OF TECHNOLOGY BRAK

The Higher Institute of Technology has openings for Medical Technologists, Food Technologists and Environmental Scientists.
Applicants should have an M.Sc. degree and/or Ph.D. degree; experience is preferable. Selected candidates will be required to teach in the following fields:

1. Human Physiology, Anatomy, Parasitology, Haematology.
2. Molecular and Cell Biology.
3. Clinical Biochemistry, Medical Physics, Radiology.
4. Insect Vectors, Tropical and Preventive Medicine.
5. Clinical Microbiology.
6. Insect and Reptilian Venom, Toxicological Control.
7. Histology.
8. Animal Physiology.
9. Animal Husbandry.
10. Food Technology.
11. Food Process Control.
12. Food Chemistry, Nutrition and Diets.
13. Environmental Analytical Science.
14. Biology.
15. Biostatistics.
16. Chemistry.

Media of instruction is English Language.
Salaries Range:

Rank	Salary	Increments	No. of increments
Professor	5,780 - 6,400 L.D.	120	6
Associate Prof.	5,040 - 5,780 L.D.	120	6
Assistant Prof.	4,560 - 5,040 L.D.	80	6
Lecturer	4,160 - 4,560 L.D.	67	6
Assistant Lect.	3,510 - 4,158 L.D.	108	6

Plus free fully furnished accommodation.
Applications giving details of qualifications and experience should be sent to:
The Dean
Higher Institute of Technology
P.O. Box 12041
Tripoli
LIBYAN ARAB REPUBLIC

C. & W. Walker 62% to record £0.6m.—rights

1976-77 was £1,900,000 profit after tax of £477,000.
AFTER A midway advance of £111,000 to £246,000, process plant fabrications manufacturer, C. & W. Walker Holdings achieved a 62 per cent increase in pre-tax profits to a record £396,873 against £243,092.
The directors are proposing to raise new additional permanent capital by way of a rights issue and are at the same time formulating a scheme for the cancellation of the company's 41,000 5.25 per cent non-cumulative participating preference shares of £1 each in exchange for new ordinary shares.
Earnings are shown to be up from 18.2p to 31.8p per 25p share and the ordinary dividend is lifted to 2.9494p (2.6512p), with a final of 1.5444p net. Also announced is a final dividend of 4.8878p per share, a 5.25 per cent Non-Cumulative Participating Preference shares, including a participating element of 1.728p per cent (1.602 per cent).
The directors intend to recommend a total dividend for the year ending January 28 1978 of 8p per Ordinary share net of the capital as increased. In the context of the rights issue £3.11 Treasury has consented to this proposed dividend increase.
It is intended to offer new Ordinary shares at 33p per share on a one-for-one basis to raise some £250,000 after expenses. These terms are provisional only and are likely to be confirmed at the end of July when it is hoped that the High Court will confirm the reduction of capital in connection with the Preference share scheme.
Although the making of the rights issue is not conditional on the cancellation of the Preference shares becoming effective it is intended that if it does, present holders of Preference shares should participate in the rights issue.
The directors add that the precise terms of the Preference share scheme are still being considered but it is anticipated that a document containing more details of the proposed rights issue and the exact terms of the Preference share scheme will be available with the annual accounts.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering Official Indications are not available where directors concerned are holding or have held shares in the company's shares on last year's timetable.
TODAY
Hawkins & Tipson (Contractors), Management Agency and Public Relations Ltd., London
Preston & Sons (Leather Industries, Debenhams, Deighton, Estates and Agencies), London
Ever Ready, A. Goldman, J. H. Harriss, William Lawrence, W. L. P. Perry, South Eastern Railway International, United Easterns Industries
FUTURE DATES
May 23
Burdock National Glass
May 24
Wash
May 25
Ash Spinning
Cromptons Industrial
June 1
Donall (Africa)
May 26
Mount Charles Investment
May 27
National Steam Navigation
May 28
Wace

Hawkins & Tipson sees £1m.

ON A 48 per cent rise in order from £3,500m. to £5,100m. Hawkins & Tipson, a construction and property management firm, has seen its profits rise to £1,000,000. The directors say that the effect on profits for the year had now been established as the company is fully back to growth. Also its expansion programme is generating a turnover which has exceeded the £5m. target. The directors say that the effect on profits for the year had now been established as the company is fully back to growth. Also its expansion programme is generating a turnover which has exceeded the £5m. target.

POCHN'S

In the half year ended Nov. 30 1976, turnover of builders and civil engineering contractors Pochon rose from £4.5m. to £5.3m., but the profit before tax showed little change, amounting to £187,894, against £188,112. The interim dividend is held at 0.85p per 25p share. Total for

£7½m. FCI finance for Delta Metal

DELTA METAL, the non-ferrous metals engineering and building products group, has reached an agreement in principle to obtain £7½m. of finance for working capital from Finance Corporation for Industry. FCI is the arm of the industry which operates the £10m. medium-term loan facility for industry.
The arrangement was announced at yesterday's annual meeting of Delta by the chairman, Vincent Caldecott, who said that the facility had been structured to provide longer credit for some of the group's copper supplies without increasing balance sheet borrowings.
It is understood that the dividend sent C. & W. Walker shares 15p higher yesterday to 170p. After surviving two aborted takeover bids in 1976-77 the group is now eager to reveal itself as an expansion-conscious entity and is likely to hold a 50 per cent stake with the other 50 per cent being held by a bank or similar organisation, is expected to receive the finance from FCI. The intention, they appear to be anything else. The last accounts

BIDS AND DEALS

Charterhouse £1.3m. for Napcolour

The Charterhouse Group has agreed a £1.3m. offer for Napcolour in which its subsidiary Charterhouse Development already holds 34.6 per cent. Napcolour is the largest independent photofinisher in the U.K. having eight laboratories and four depots spread throughout England and Wales.
The "consideration, which is to be met by the issue of ordinary shares in the Charterhouse Group, values the whole company at £2.14m. The audited accounts of Napcolour at December 31, 1976 showed net tangible assets of £280,000 and pretax profits of £275,000.
The Board of Napcolour were advised by County Bank and Charterhouse Japhet, acted on behalf of The Charterhouse Group.
BTR-SILENTBLOC
With shares in Anglo-Silentbloc dropping back 1p to 36p yesterday against share offer worth 61p a share from BTR and a cash offer of 50p, BTR has sent out a letter to Silentbloc shareholders reminding them that its offer closes finally on May 23. The letter, sent by Hill Samuel on behalf of BTR, asserts that the unaudited interim estimates made by Silentbloc should be treated with caution and clearly provide no guide for the year as a whole for which no forecast has been made.
BTR also repeats its threat to sell its 28.4 per cent holding in Silentbloc as soon as practicable if its offer does not succeed which "may result in a dramatic fall in the Silentbloc share price."
BTR has also issued a correction to a "misleading statement" in the "Silentbloc circular of Wednesday and a clarification of the subsequent retraction made by Barclays Merchant Bank.
As previously indicated on their offer being unconditional, dealings in the new shares will commence one business day thereafter. In their circular of May 18, Anglo-Silentbloc stated that "Any shareholder who may be contemplating accepting BTR's alternative share offer, which is not being increased, should bear in mind that he or she will be unable to sell the new BTR shares allotted to them for about a month. The share value may by then be very different from the date of acceptance due to the present volatility of the stock market in general and BTR shares in particular." The Barclays Merchant Bank

ALLIED CITY TRUST TO MERGE

Agreement has been reached for a merger between Allied Share Trust and Birmingham Industrial Trust, which are both at least of Birmingham and New. Ordinary shares to be the capital of Allied.
The Board and major holders in Allied holding 90 per cent of the shares, agreed to the merger deal which will be set out in a document to be available as possible.
The share quotation of Allied City said early in March 14 "to prevent any speculation prior to the publication of the company's audited accounts for the year ended 31st March 1977 that it was considering proposals regarding its current shareholding in Allied Russell and Co., a London firm in the City of London."

SHARE DISCLOSURES

Big KIO stakes in Reckitt and Unicef

The Kuwait Investment Office has revealed two major share stakes in Reckitt and Colman and Unicef Industries (formerly Universal Grinding).
The holding in Reckitt amounts to 2,297,000 shares and has a current market value of over £1m. The holding in Unicef, which is valued at £1.2m, is also a significant stake in the company.
The Kuwait Investment Office for over 10 years. The size of the holding has apparently fluctuated very little, but the trend has been for it to grow rather than be reduced. The 2.3m. shares in Unicef Industries amount to 9.55 per cent of the company which said yesterday that it had not known for certain that this holding was the property of the Kuwait Investment Office since it had formerly been in a nominee name. The spokesman added that the Board had been aware of the presence of a large shareholder for around three years.
"Big share sales in Maple and Company, the retail and property investment group, were disclosed yesterday by former parts of the failed financial empire of Mr. Oves Jessel.
London Indemnity and General Assurance, now part of Prudential Assurance, has sold its entire holding of 1.8m. Ordinary shares

TRACK RECORD

£5,000-£10,000
Our clients are keen to meet career-minded individuals with a proven track record in investment analysis, money dealing, commodity trading, institutional sales. You could well be looking for a move to a more challenging position in your career. Contact us for a general discussion.
Stephens Selection
35 Dover Street, London W1X 3RA. 01-493 0617
Recruitment Consultants

APPOINTMENTS WANTED

FORMER FINANCIAL Director-Company Secretary of Public Company issue 531 available for full or part time work at similar nature including preparation of accounts. Write Box A.5953, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY NOTICES

CIMENTS LEFARGE 7½% 1972/1987 FF100,000,000

Notice is hereby given to bondholders of the above-mentioned loan that the amount redeemable on July 1, 1977 i.e. FF3,000,000 was bought in the market.
Amount outstanding: FF8,000,000
Luxembourg, May 20, 1977.
The Fiscal Agent:
Kreditbank S.A. Luxembourg
Fininvest S.A.

MCCARTHY GROUP LIMITED

Incorporated in the Republic of South Africa
Notice to Shareholders
Preference Dividend No. 59
NOTICE IS HEREBY GIVEN that the 50th half-yearly preference dividend as per vote of 1 share and 1 half cent per share has been declared by the directors and payable to holders of preference shares registered in the books of the company at the close of business on the 15th June, 1977.
The dividend is declared in the currency of the Republic of South Africa. For the purpose of establishing the shareholders entitled to participate in this dividend, the preference transfer register of the company will be closed on 1st July 1977. Both days inclusive.
Dividend warrants will be posted to shareholders on or about the 25th July, 1977.
In terms of the Republic of South Africa Income Tax Act of 1962 (as amended) the non-resident shareholders of 15, will be deducted by the company from dividends payable to shareholders whose addresses in the register are outside the Republic of South Africa.
By order of the Board,
C. R. BANISTER, F.C.I.S., Secretary.

FIVE ARROWS FUND N.V.

reconstituted in Curaçao, Netherlands Antilles.
DIVIDEND NOTICE
Designated Common No. 9
The Five Arrows Fund of Shares has this day approved a Dividend of 100 cents per share for the period ended December 31, 1976 available on application to the Secretary of the Fund, 2500 Avenue of the Americas, New York, N.Y. 10017.
The dividend is payable to the registered shareholders of record as of 15th May 1977, at the office of the Fund, 2500 Avenue of the Americas, New York, N.Y. 10017.
Shareholders who have not received their dividend warrants should apply to the Secretary of the Fund, 2500 Avenue of the Americas, New York, N.Y. 10017.
The Fund is managed by FIVE ARROWS MANAGEMENT COMPANY N.V., Curaçao (Managing Director).

ELURINVEST

Unit holders are advised that Coupon No. 15800 is payable on 15th March 1977 at the rate of 10p per unit. The coupon will be payable to the unit holder who has notified the company of his name and address to the Secretary of the Fund, 2500 Avenue of the Americas, New York, N.Y. 10017.
Units are available on application to the Secretary of the Fund, 2500 Avenue of the Americas, New York, N.Y. 10017.

WHITEHEAD INVESTMENT COMPANY

NOTICE IS HEREBY GIVEN that the REGISTER of the Ordinary Shares of the above Company will be CLOSED from 21st July 1977 to 21st August 1977. The dividend for the year ending 31st March 1977, will be payable on 21st August 1977.
By order of the Board,
R. E. GILLAN, Secretary.

EVERARDS BREWERY LIMITED

NOTICE IS HEREBY GIVEN that the REGISTER of the Ordinary Shares of the above Company will be CLOSED from 21st July 1977 to 21st August 1977. The dividend for the year ending 31st March 1977, will be payable on 21st August 1977.
By order of the Board,
J. G. ROBERTSON, Secretary.

SOCIETE INTERNATIONALE BELGE DE CREDIT FINANCIER

NOTICE TO SHAREHOLDERS
The extraordinary general meeting of the above company held on May 18, 1977, has decided to increase the authorised and issued share capital from 200,000,000 to 2,000,000,000 francs by the issue of 2,000,000 new shares of 100 francs each.
2,816,571 shares may be subscribed by the existing shareholders in the proportion of one new share for each share held at the subscription price of 87.1375 franc per share.
32,877 shares may be subscribed by the public.
The new shares will be issued in part by the issue of new shares in connection with the above-mentioned increase of share capital. The new shares will be issued until 1st May, 1977.
An application has been made to the Court of the Stock Exchange for the 2,000,000 new shares to be admitted to the Official List.
Declarations in the new shares on the Stock Exchange will be made by the issue of new shares until 1st May, 1977.
Declarations in the new shares on the Stock Exchange will be made by the issue of new shares until 1st May, 1977.
The new shares will be issued in part by the issue of new shares in connection with the above-mentioned increase of share capital. The new shares will be issued until 1st May, 1977.
An application has been made to the Court of the Stock Exchange for the 2,000,000 new shares to be admitted to the Official List.
Declarations in the new shares on the Stock Exchange will be made by the issue of new shares until 1st May, 1977.
Declarations in the new shares on the Stock Exchange will be made by the issue of new shares until 1st May, 1977.

MILANO BANK LIMITED

100, Broad Street, London E.C.2.
SAVING SOCIETY PARIS-ET-DES
25, Rue de Valenciennes, Paris 10.
BANQUE BELGE LIMITEE
100, Boulevard de la Woluwe, Brussels 1200.
MILANO BANK LIMITED
100, Broad Street, London E.C.2.
SAVING SOCIETY PARIS-ET-DES
25, Rue de Valenciennes, Paris 10.
BANQUE BELGE LIMITEE
100, Boulevard de la Woluwe, Brussels 1200.
MILANO BANK LIMITED
100, Broad Street, London E.C.2.
SAVING SOCIETY PARIS-ET-DES
25, Rue de Valenciennes, Paris 10.
BANQUE BELGE LIMITEE
100, Boulevard de la Woluwe, Brussels 1200.

GOING ABROAD TO WORK

We advise on contract terms and conditions with foreign employers and on related investment tax, immigration and property questions.
Foreign Employment Services,
P.O. Box 10, 1298 Cosmigny
Switzerland

APPOINTMENTS WANTED

I am a 26, single, a public school educated, graduate, chartered accountant, trained with a big professional firm in the City, and have a good working knowledge of French.
I seek a career opening overseas in finance and/or investment management/controlling with an international financial/investment concern, and would like to be based, ideally, in a French-speaking financial centre.
Please reply to Box A.5941, Financial Times, 10, Cannon Street, EC4P 4BY. All replies will be acknowledged.

CAREER OPENING OVERSEAS IN FINANCE/INVESTMENT

I am a 26, single, a public school educated, graduate, chartered accountant, trained with a big professional firm in the City, and have a good working knowledge of French.
I seek a career opening overseas in finance and/or investment management/controlling with an international financial/investment concern, and would like to be based, ideally, in a French-speaking financial centre.
Please reply to Box A.5941, Financial Times, 10, Cannon Street, EC4P 4BY. All replies will be acknowledged.

0100 1550

BOOKS

Threatened values

BY C. P. SNOW

Freedom. Freedom is a word he uses too often, though he warns us against its dangers. His examples, though, are more convincing than his terms. He is saying that the major values, including economic development, result at their best from the interplay of different pressures within a society, or the balance of power groups. That is what I personally should prefer to call a plural society. Mr. Johnson is drawing on world history and his own experience to claim that the American life, and perhaps the decadence, can only fully emerge and survive in such a society.

In a work of this scale, covering almost all known human activities, there are bound to be a few mistakes. In fact, his book has become the reason for his writing the process was gradual—that in the present state of our western world the civilisation he values is threatened so much that serious defence measures are more imperative than any other kind of political or public action.

Such a civilisation has developed enemies, outside and inside, including many persons of good will. Social Darwinism has produced some positive results, on the slippery slope of derz Europe is destined to ride the society, particularly the aspects for which Johnson is most fervent. His reason, creative achievement, since, the domains in which I like himself have aspired so long. This is a free reading of Johnson's book, but I do not think it a misrepresentation. It mounts a formidable argument and he has found the equipment for the job. He is highly intelligent, has been to the inside of this country's politics, has an immense knowledge of history. He has also a first-class journalism for picking up information where he can get it so much. On philosophical, scientific, matters, for example, he has relied mainly on Karl Popper and Sir Peter Dawar, and for his purposes could scarcely do better. He is good-natured, and can keep in the argument, from such things as the same position. He is reasonably polite in controversy, I do not suffer from the contemporary vulgarity of believing that rudeness is a guarantee of zest.

His basic case is that all the impulses of a society, and above all, the capacity of a society, to depend on what he calls



Jessica Mitford: perils of American Communism

Decca's dilemmas

BY REX WINSBURY

A Fine Old Conflict by Jessica Mitford. Michael Joseph, £5.95, 270 pages.

Whether it be publishers' plot or the Mitford clan in concert, here we have within a few weeks of each other Diana Mitford (Lady Mosley), producing her autobiography "My life as a Fascist" (or words to that effect), and now sister Jessica (Mrs. Treuhaff) producing the second half of her autobiography, "My life as a Communist" (or words to that effect). While neither is funny nor as picturesque as the first, *Hons and Rebels*, the new Jessica Mitford is a burlesque and adventuresome book about that post-war decade in American politics when sympathy with Communism was virtually a treasonable offence. The book culminates in a hilarious guide to Left-wing political jargon, deriving from sister Nancy's essay into U and non-U and originally published in U.S. CP circles in 1956, but, as far as I know, new here.

Apart from readability and interest, in both of which Jessica's book is predictably superior to Diana's even though Diana's is much less lacking in either quality than some critics have suggested, it is equally predictable that Decca (her Mitford clan name), will earn praise as a prototype of approved Leftish causes like the fight against racial discrimination. *My life as a Communist* has caused outrage for refusing to apologise for her Fascist past.

Without suggesting for one minute that Jessica's were not the right causes, what does strike the reader however is that the same vein of political naivety runs through both their autobiographies, and indeed the rest of the Mitford family as a whole, to judge by Sister Unity and father Redcliffe as well as by Jessica and Diana.

How we come to be here

BY NIGEL LAWSON

The Jekyll and Hyde Years by Michael Stewart. J. M. Dent, £3.95, 272 pages.

In this book Mr. Stewart—former Government economist (1967-62 and 1964-67), unsuccessful Labour candidate (1964 and 1968) and southerner of Lord Kaldor—has provided a lively, readable and workmanlike account of the dismal course of British economic history from October 1964 until the middle of last year, written from the standpoint of an unreconstructed standing neo-Keynesian social democrat. Above all, however, it is a book with a message.

Ostensibly, Mr. Stewart is rightly arguing for a far greater degree of economic consensus between the two major parties. His argument for the present lack of consensus, although something of a Whitehall cliché, nonetheless contains an important element of truth, even if it is by no means the whole truth. Opposition, fired solely by the determination to oppose for its own sake, tend to become wild and irresponsible and develop the personality of a political Hyde. This carries through into the early years of government until eventually, educated by the responsibilities and realities of power, they turn into good Dr. Hyde as soon as they lose office again.

But although this is the ostensible message of the book, it is not the real one. If it were, Mr. Stewart would undoubtedly welcome the emerging neo-monetarist consensus that represents the most hopeful development on the British politico-economic scene for a long time past, and the common ground of our more successful competitors. Alas, so far from welcoming it, Mr. Stewart condemns it with bell, book and candle as the worst heresy of all. For the truth of the matter is that through its missionary for an ancient creed; the whole purpose of his book is to preach the gospel that we shall be saved only by the adoption of a permanent statutory incomes policy, and that all our problems are attributable to the failure to do so.

As for the inescapable economic and political consequences of incomes policy, Mr. Stewart's policy in practice so shyly dissects by Mr. Samuel Brittan and Mr. Peter Lilley in their recent

parties. The consensus Mr. Stewart seeks is general acceptance of this proposition: he is interested in no other.

The attempt to fit this somewhat tired thesis into the Jekyll-and-Hyde model requires, incidentally, some rather curious rewriting of history. The previous Labour Government's statutory incomes policy, for example, was terminated, as Mr. Stewart is obliged to admit, not by the Conservatives coming into office in 1970, but by Labour itself when still in office in 1969. This, however, the reader is assured with singular lack of conviction, is a mere technicality, since it was Conservative attacks which made inevitable the abandonment of its incomes policy in 1969. Again, the attentive reader might have imagined that the subsequent Conservative Government's statutory incomes policy had run into some little local difficulties which would have caused its progressive abandonment even if Mr. Heath had won the 1974 election. Not so, replies Mr. Stewart: "As far as economic policy is concerned, the later stages of each Government's period of office have been by far the most sensible and successful."

The question of why it is that the more blarneying a permanent statutory incomes policy, when our principal competitors manage better without one, is not even asked, let alone answered. Indeed this is a quite staggering, if not a parochial, book. So far as Mr. Stewart is concerned, broad consensus exists: it is simply a collection of foreigners who have the annoying habit of exporting more to us than we do to them, and of losing confidence in us at the most embarrassing moments. But perhaps it is unfair to blame Mr. Stewart, insularly and parochially as he is, for this. The fact that a permanent statutory incomes policy, when our principal competitors manage better without one, is not even asked, let alone answered. Indeed this is a quite staggering, if not a parochial, book. So far as Mr. Stewart is concerned, broad consensus exists: it is simply a collection of foreigners who have the annoying habit of exporting more to us than we do to them, and of losing confidence in us at the most embarrassing moments. But perhaps it is unfair to blame Mr. Stewart, insularly and parochially as he is, for this.

Executive changes in Barclays Bank Group

Dr. J. G. Quinlan has been director-marketing, until his early retirement in March.

Mr. Henry G. Mutton joins ORION BANK as an executive director from June 1, 1977.

Among his corporate responsibilities will be further development of the bank's merger and acquisition business. Mr. Mutton will recently executive director of British Steel Group's joint U.K. interests, acquisitions, mergers and disposals.

Mr. J. W. Herbert has been appointed director of British Home Stores, the new venture of British Home Stores and J. Saunderson which opens later this year in Wokingham, West Sussex. Mr. Herbert was previously deputy general manager of the Continent Hypermarket in Bielefeld, West Germany.

Mr. Brian Barrett has been appointed regional planning and development officer for the NATIONAL BUS COMPANIES Western Region from June 1. He will also be responsible for Midland replacement officer for Midland Road.

Mr. Thomas S. Roderer has been appointed president of DEAN WITTER INTERNATIONAL.

Mr. F. J. Richard Boddy has been appointed a director of MCC QUARRIES.

Mr. Eric R. Mountford has been appointed to the Board of ADROCK-SHIPBY PETROBRAS, a subsidiary of British Petroleum, as previously general manager, home sales.

Mr. Alfred Bowmer, general manager and secretary of the BRIDGWATER BUILDING SOCIETY, is to retire at the end of next month after 42 years with the Society, but will continue as a director. Mr. Bowmer will be succeeded as general manager by Mr. J. W. Foster and Mr. N. Roberts, who will share the duties of joint general managers. Mr. Roberts will assume the secretary's duties.

Mr. Peter Farley has been appointed assistant general secretary of the CONFEDERATION OF EMPLOYERS ORGANISATIONS, with particular responsibility for the activities of the British Aerospace Staffs Association, a member of the CEO. Mr. Farley was previously chairman of the Metropolitan Police Federation.

Mr. John Locke has been appointed sales director of BAR-TOL PLASTICS, part of Hopworth Plastics. He was previously commercial director, Telfords.

Brigadier A. C. Bate is to be Commandant, NATIONAL DEFENCE COLLEGE, Latimer, in the rank of major-general, in July, in succession to Vice-Admiral D. A.

Fiction

Multi-layered cakes with cream BY ISABEL QUIGLY

Edith's Diary by Patricia Highsmith. Heinemann, £4.30, 310 pages.

The Albatross Muff by Barbara Hanrahan. Chaucer and Wadsworth, £4.50, 206 pages.

Little Angie by Emma Cave. Andre Deutsch, £3.50, 205 pages.

Earthly Bread by Michael Mewsshaw. Seeker and Warburg, £3.95, 212 pages.

When story-telling straight no longer seems feasible to many novelists, so-frequently caricatured as an obvious alternative, and three domestic novels by women, all involving homely doings and the possibility—necessarily—the reality—of murder.

Edith's Diary is a charming, involving and credible good at its best, in which the hopeless and mysterious, scarcely functioning son, lives a perfectly satisfactory, conventionally successful life, professionally and personally; marrying for love, having children, being clever and attractive and credibly good at his job, comforting and supporting her through the impossible years when her husband remarries, leaving her to cope with the small Uncle George.

On the "real" level of small-town Pennsylvania life, with a magazine to run and politics to worry about, reality is again multi-layered. Does Edith actually kill Uncle George, as his father believes, and as he once tried to strangle the cat? When Edith finally gets hold of the diary, can she stand the thought of reality enough to look at it and see what she thought of him, so there it lies, his other

In short—Lhasa to Beaulieu's cars

A Journey to Tibet by Han Suyin. Jonathan Cape, £4.95, 180 pages.

Han Suyin was the first foreigner to visit Tibet since 1902, and her 1975 journey there was interesting for that reason alone. In fact, she was the first of several, a sign that the Chinese authorities considered the region sufficiently respectable for all but the most intrepid of mountaineers. There it has been cleaned up since the days of the Dalai Lama, religion is out of fashion and the Tibetans are learning to like Chinese food.

This may sound like cultural imperialism, but Han Suyin denies the charge vociferously. Her book is not a travelogue, but a kind of historical and social study, and she is more interested in the people than in the scenery. Her book is a study of the Tibetan mind, and she is more interested in the people than in the scenery.

to carry out repairs and also to deal with a puncture or two. Starting the car was a problem, keeping it on the badly surfaced roads a nightmare, but there was never a shortage of enthusiasts.

The decades when the car was a rich man's toy, rather than a poor man's transport, are captured in light and humorous style by these two motoring writers. They get over the message that driving, in spite of all the trials and tribulations, was fun, which is more than most car owners would claim to-day.

Any one who drools over the cars in the motor museum which opened at Beaulieu in 1975, or who is not yet 23 years old will need no urging to buy this book, but you do not have to be a vintage car addict to enjoy it for its fine photographs and wealth of anecdotes.

BRIAN AGER

SUSPENSE FROM MACMILLAN

JOHN BINGHAM
The Marriage Bureau Murders
Unique chronicle of homicidal perversion... Bingham's blackest and best for some books' Maurice Richardson, Observer
An utterly chilling book... Bingham's Sidney Shaw sets up a marriage bureau after his wife abandons him — as a cover for murdering women' Patrick Cosgrave, Daily Express £3.25

SARA WOODS
The Law's Delay
Antony Maitland defends mystery woman charged with shooting family friend... all is revealed in violent, fast-minute showdown... you can't spit out the hook' Maurice Richardson, Observer £3.25

MILES TRIPP
The Once a Year Man
A scintillating love-and-spy story which carries its own built-in conviction... hooked me, and kept me hooked' Evening Standard
Excellent little thriller... offers new way of causing world chaos so simple that it startles' Matthew Coady, Guardian £3.25

MARY INGATE
This Water Laps Gently
Atmospheric, haunting story... elderly archaeologist and young wife go off to Greece in the 1930s... her sunlit, flower-scented house fills with menace but, 40 years on, she ends on top' Francis Goff, Sunday Telegraph £3.25

ANNE MORICE
Murder in Mimicry
Breathless little actress Tess, hiding boundless curiosity and dogged investigatory powers behind bird-brained chatter, operates in Washington. Wherever she goes, murder follows... just the thing for an idle moment' Francis Goff, Sunday Telegraph £3.25

INTERNATIONAL FINANCIAL AND COMPANY NEWS

German companies spend 25% more

BY GUY HAWTIN

FRANKFURT, May 19.

INVESTMENT SPENDING by German corporations rose by almost 25 per cent. in 1976, while the quota of self-financed spending remained high; Deutsche Bundesbank says in its monthly report for May. The central bank also notes that investments of non-financial firms in fixed-interest securities rose by 41 per cent. in the year, as firms evidently found yields more attractive there than in capital investments, either because of excess capacity or unsatisfactory profitability. In a two-part analysis of German financial and capital markets last year, the Bundesbank concludes that financing needs in Germany fairly well matched funds available. The central bank cautions that continued economic recovery depends on avoiding a large gap between credit requirements and available funds, especially by continued reduction of the public sector deficit. The total taken up in credit was DM143.5bn. in 1976, while funds made available for financing totalled DM141.1bn. This compares with a credit requirement of DM134.1bn in 1975, and available financing of DM133.1bn. Corporations, excluding financial firms, took up DM60bn. in credit, compared with DM41.5bn in 1975. Corporate investment spending rose to DM154.4bn. from DM124.1bn. so that the 1976 financing deficit was DM15.9bn., against DM10.1bn. Financial assets building of DM44.1bn. in 1976 accounts for the remaining credit taken up and compares with DM31.7bn. in financial asset accumulation in 1975. The Bundesbank noted that the 1976 corporate financing deficit was still far below the DM25bn. deficit of 1974. Self-financing funds as a proportion of investment spending was 89.7 per cent., down only slightly from 91.9 per cent. Further evidence of continuing corporate liquidity was provided by non-financial firm purchases of fixed-interest securities. The holdings of these firms on deposit with banks increased by DM5.1bn. nominal to DM17.3bn. Private households saved DM106bn. in 1976, compared with DM109.7bn. With a steady rise in consumer spending, the slight

decline in the savings rate was due to a smaller increase in disposable income in 1976, the Bundesbank explained. Meanwhile, the public sector—Government, entities and social security—pared its financing deficit to DM45bn. from 1975's record DM60bn. The 1976 deficit corresponds to 4 per cent of gross national product, compared with 6 per cent. in 1975. Taken together, the Bundesbank says, the financial market development in 1976 marked an end to the simultaneous increase of the financing surplus in the household sector and increase in the financing deficit in the other sectors—corporate, public and foreign—that has characterised the German financial scene since the end of the last decade. The surplus in private households fell to DM86bn. from DM93bn. in 1975. The corporate financing deficit—including non-financial corporations and the construction industry—rose to DM43bn. from DM33bn. But in addition to the decline in the public sector deficit, the foreign deficit against Germany—corresponding to the West German current account surplus—fell to DM6.5bn. from D34bn.

European American Bank cutback

By John Wyles

NEW YORK, May 19.

EUROPEAN AMERICAN Bank, the largest foreign owned banking corporation in the U.S., has cut back its New York staff and eliminated a number of senior executive posts. Altogether, around 120 people have left the bank in the last few weeks and those affected come overwhelmingly from the ranks of middle and senior management. A spokesman for the bank claimed that the need to "reduce overheads and expenses" have been the main reason for the cutbacks. European American, which is owned by six European banks including Britain's Midland Bank and Germany's Deutsche Bank, is still rationalising its organisation after its takeover two years ago of the Franklin National Bank, which suffered America's biggest banking failure.

European American had hoped that its business would increase sufficiently to absorb most of the former employees of Franklin. But it is understood that volume has not risen fast enough to justify the continuing duplication of staff functions, and so it was decided to make some reduction in the bank's 8,750 strong workforce. The bank's net income rose last year to \$9m. which was \$1.5m. up on the 1975. An important constraint on its performance has been the need to write off in 1975 and 1976 shipping loans of more than \$12m. and to build up a loan reserve to cover possible losses on Franklin National business.

Tokyo takes a look at traded options

BY PAULINE CLARK

JAPAN may soon be considering concrete proposals for the creation of a market in traded options in Tokyo.

A delegation from the Federation of Securities Dealers Association has just returned to Japan after visiting the U.S. and Canada where it has been to discuss options trading. They are believed to have brought back a favourable impression. In particular they are said to have noted the effects of the system in softening price fluctuations and increasing turnover of stock.

Any system which would help to increase liquidity in share trading and promote further foreign investment interest would have clear attractions in a country where the stock market is as important to corporate financing as it is in Tokyo.

The market is already, after Wall Street, the second biggest in the world. Its daily

turnover average last year reached a record ¥79.3bn. (¥185.9m.). It is also not short of stock in sufficient size and of the right quality to justify a formal system for traded options.

Stock like that of SONY in the electrical appliances sector has obvious international appeal while other names which immediately come to mind include Matsushita in electronics and certain major trading groups such as Mitsubishi and Sumitomo. Specialists in the Tokyo market at the London firm of Victorians & Jobbing firms has been pressing for formal traded options market in London, said yesterday that they believe Tokyo to be as appropriate as any other major stock market for the system.

It was also pointed out that Tokyo would have certain advantages over London in achieving acceptance of such a system. Chief of these could be less sensitivity over the question of

covering forward positions. It was already customary in Tokyo to have open positions on stock trading.

Tokyo is known to have been studying the system for some time now and is said to have already consulted London study groups. However, no rush decisions are expected to be made. The Tokyo stock market is at present relatively steady so there is no urgent need for a "stabiliser". The Tokyo stock exchange index has remained within the 340-350 margin over the last 12 months without any major deviation.

In addition, some of the problems that have confronted European option trading plans have also to be ironed out in Tokyo. Not least could be the problem of possible manipulation by option traders who already trade daily in shares.

This could be a particularly difficult one in Tokyo where a handful of very large securities houses dominates the scene.

Italian Esso loss rises to L31bn.

By Paul Bett

ROME, May 19. ESSO ITALIANA, the Italian affiliate of the Esso group, has reported losses of L31bn. (about £2.2bn.) for 1976 compared to losses of L29bn. in the previous year. Esso's real losses, however, amount to L10bn. if a revaluation of stock is not taken into account. The company claimed that the losses were largely the result of the time delay in the Italian Government pricing commission's recognition of increased costs due to the fall in the exchange rate, the Government import deposit scheme, higher distribution and refining costs, and the increase in crude prices. Esso Italia's debt repayment bill with the banks increased from L11bn. in 1975 to a "record" L17bn. last year. The company added that it was still losing an average of L1bn. a month.

The company also noted that the losses were largely the result of the time delay in the Italian Government pricing commission's recognition of increased costs due to the fall in the exchange rate, the Government import deposit scheme, higher distribution and refining costs, and the increase in crude prices. Esso Italia's debt repayment bill with the banks increased from L11bn. in 1975 to a "record" L17bn. last year. The company added that it was still losing an average of L1bn. a month.

Esso Italia's debt repayment bill with the banks increased from L11bn. in 1975 to a "record" L17bn. last year. The company added that it was still losing an average of L1bn. a month.

Deutsche Shell lifts profit

DEUTSCHE SHELL'S net 1976 profit of DM240.5m. rises to DM245.5m. after deducting open reserves, reported Reuters in 1976 there was a net loss of DM152m.

Gross sales totalled DM12.5bn. against DM12.7bn. The dividend is DM5.50, plus a DM5 bonus per DM100 share on the capital maintenance fund. The Royal Dutch Shell parent group in Germany has 1975.

Board chairman Johannes Wehmann told reporters that German Shell's poor oil sector results were due to rising crude prices and lowering costs of nationalisation.

PEA \$12m. Euroloan

PARISIAN International Airways has raised \$12m. on the Paris stock market in the form of a five-year floating rate loan arranged by the London-based Amex Bank and National Development Finance Corporation of Karachi. The proceeds will be used to finance expansion of PIA's wide-body aircraft hangar facilities at Karachi airport.

Amey Time Hldgs.

Amey Time Holdings, the major insurance company, has signed a preliminary agreement for the acquisition of Time Insurance and Banking Ltd. The Bank of Commerce unit in the company, however, will be allocated to Time Holdings shareholders before the purchase by Amey.

Under the terms of the agreement, TH shareholders will be given the opportunity to a their shares back to Time Holdings for cash while the remaining old shares will be reclassified. TH preferred stock with a value equal to the price of 1 share sold back to TH.

AMERICAN NEWS

No reply to Fuqua bid

CHICAGO, May 19.

FUQUA INDUSTRIES INC. has received no response to its offer to acquire 47 per cent. of Avis Inc. common stock, president Carl L. Patrick told a stock-brokers' meeting here today.

Fuqua expects a court decision next Monday or Tuesday on its petition to delay Avis' annual meeting set for next Wednesday. The company has been considering the acquisition of the Avis interest for the past six months and would like to merge Avis into Fuqua. The two companies would make a very compatible package, Mr. Patrick added.

He said the opposition to the proposal from the trustee for the 47 per cent. interest was anticipated. The meeting was told that Fuqua is looking for earnings growth of at least 15 per cent. annually "over the next few years." In 1976 Fuqua earned \$13.6m. or \$1.52 per share.

Fuqua's mobile home business is in the black this year, but its broadcasting properties are having their best year ever. The

company may consider disposing of its trucking operations in which to date it has invested around \$36m. Reuters

Xerox expects peak quarter

XEROX CORPORATION president, Mr. Archie McCardell, told the annual meeting he expects second quarter earnings to top the year-to-date record of \$1.28 a share, Reuters reports from Chicago.

The second quarter is expected to be the most profitable in any three month period in the company's history, he said. Mr. McCardell also repeated an earlier projection that total 1977 earnings will exceed 1976 record profits of \$359m. (\$4.51 a share).

Xerox chairman, Mr. Peter McCoolough, told shareholders that dividend action is on the agenda for yesterday afternoon's meeting of directors. The div-

idend was last increased in the third quarter of 1976 to 30c a share from 25c.

Exxon near term prospects good

EXXON CORPORATION'S prospects for the rest of 1977 and the near term are "good," Mr. Clifford C. Garvin, Jr., the chairman told the annual meeting, Reuters AP-DJ from Houston. He said Exxon expects the "heavy investments" it is continuing to make in research, exploration and "highly efficient new operating facilities" will result in benefit to shareholders.

Of the company's previously announced plans for \$22bn. of capital and exploration expenditures over the four years beginning in 1977, Mr. Garvin said that \$10bn. will be spent in the U.S. with "the largest part in exploration and production development in such areas as the East Coast, in the Santa Barbara Channel of Southern California, and in Alaska."

Dividend at Primrose

IN THE PRIMROSE Industrial Holdings interim report on February 13, shareholders were told that the company intended to maintain last year's total dividend provided there was no material change in either tax rates or in trading conditions.

In the current environment the Board attaches great importance to maintaining sound financial ratios and cash flows. Consequently, it deems it appropriate to reduce the total dividends for the year ending June 30, 1977, by not more than 8 cents as compared with the dividends paid last year (24 cents).

Ford and GM offshoots cut

BY DAVID WHITE

RIO DE JANEIRO, May 19.

FURTHER SIGNS of recession in the Brazilian motor industry have come with the last sales figures, which show a 12.4 per cent drop in April compared with April last year, and a 10 per cent. drop in the first four months.

Between January and April 251,215 vehicles were sold, compared with 213,168 in the same period of 1976.

Meanwhile, the annual report of Ford Brasil, a subsidiary of the U.S. company and Brazil's largest car maker, showed a net loss of Cr.13.5m. (\$11.2m.) in 1976, after a net profit of Cr.11.9m. (\$8.7m.) the year before.

General motors also showed a loss of Cr.18m. (\$12m.) after a nominal net profit of Cr.5m. in 1975.

Both companies cut back on production last month, with Ford's car output dropping by 47 per cent. from March levels to 8,502. GM's output was down 30 per cent. to 6,545. Volkswagen was the only company to maintain output levels at around 20,500 a month.

The Sao Paulo-based industry has sacked in the region of 3,500 workers so far this year.

EUROBONDS

Terms set for Manitoba note

BY FRANCIS CHILES

WITH MOST continental centres closed for Ascension yesterday, the bond market was very calm indeed, many dealers confessing to have "little or nothing to do." However, not all was dormant. The Andelsbanken \$30m. floating rate notes, due 1984, were priced at par with a minimum coupon of 7 per cent. The SEK200m. eight year international bond issue of Jardine Matheson (Bermuda) Ltd. was also priced at par.

Terms of the Province of Manitoba \$1K150m. note include a five year term, due in 1983, with an indicated coupon of 15 per cent. This is the first issue for a foreign borrower floated in the British colony. These bonds will be subscribed in U.S. dollars, but interest and repayment of principal will be in HK dollars, thus making them in reality a "dollar" issue.

Like the recent issue for Jardine Matheson (Bermuda) Ltd. this device is used to avoid the 15 per cent. holding tax on interest payments. The method of raising money chosen by Manitoba does involve an exchange risk but this appears to have been discounted. The jumbo EEC loan, if not a "hot" issue, is considered a "warm" one by many dealers who say that, if it is receiving "quite good support."

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns for bond types (STRAIGHTS, FLOATING RATE NOTES, D-MARK BONDS, CONVERTIBLES) and various bond specifications (issuer, amount, maturity, price, yield).

Amey Time Hldgs.

Amey Time Holdings, the major insurance company, has signed a preliminary agreement for the acquisition of Time Insurance and Banking Ltd. The Bank of Commerce unit in the company, however, will be allocated to Time Holdings shareholders before the purchase by Amey.

ROYAL DUTCH PETROLEUM COMPANY

ROYAL DUTCH PETROLEUM COMPANY (N.V., Koninklijke Nederlandse Petroleum Maatschappij) Established at The Hague, The Netherlands. FINAL DIVIDEND 1976. With reference to the announcement dated 13th May, 1977 regarding the FINAL DIVIDEND for the year 1976 on the shares of N.Fi.20 registered in the U.K. Section of the Amsterdam Register, Royal Dutch Petroleum Company announces that the rate of exchange fixed for the payment of the dividend is N.Fi. 4.2435 - £1. The gross amount of the dividend will be 129.61p per share and the amount of the 20% Netherlands Dividend Tax will be 22.405p per share; the net amount payable will therefore be 107.207p per share.

Advertisement for EUROPEAN COAL AND STEEL COMMUNITY ("ECSC") 7 1/2 per cent. Notes due 15th May, 1984. Includes a list of participating banks and financial institutions from various countries.

Advertisement for The Japan Steel Works, Ltd. U.S. \$15,000,000 7 1/2 PER CENT. GUARANTEED NOTES DUE 1984. Includes a list of participating banks and financial institutions.

Handwritten note: 100/100 1/250

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Service boost for Jardine earnings

BY PHILIP BOWRING HONG KONG, May 19. JARDINE MATHESON Chair business is not entirely borne out by the figures in the report...

Fuji Industries

BY YOKO SHIBATA TOKYO, May 19. PAN'S LEADING manufacturer of minicars, Fuji Heavy Industries doubled its earnings...

SOUTH AFRICAN SUGAR

'Rudderless' on prices

BY RICHARD ROLFE IN JOHANNESBURG. WITH FINAL returns now in for 1976-77 sugar harvest in South Africa, centred on the province of Natal, total crop tonnage has improved from 1.8m. to 2m. tons...

It has started well enough with the Tongaat preliminary figures for March 31. Net attributable profit rose from R8.5m. to R10.2m. for earnings up from 81c. to 62c. while the dividend has been raised from 20c. to 34c. The major quoted sugar companies, which account for 80 per cent of production, and suggest that forthcoming profit figures will be quite varied.

Accounting changes show at Haw Par

BY H. F. LEE SINGAPORE, May 19. HAW PAR Brothers International bus announced an after tax loss of S\$12m. for the year ended December 1976. This is an improvement over the net loss of S\$21.5m. recorded in 1975.

Helaba turns in DM20m. profit

BY GUY HAWTIN FRANKFURT, May 19. THINGS ARE getting back to normal at the troubled Hessische Landesbank-Girozentrale, according to Herr Heinz Sippel, the bank's chief executive. In the first quarter of the current year the bank showed a DM20m. profit and Helaba's guarantors can look forward to repayments starting in the foreseeable future.

Unidev profit stands out in properties

BY OUR OWN CORRESPONDENT JOHANNESBURG, May 19. THE UNIDDEV Property Group, which is controlled by Unisec, the big Johannesburg investment company, has achieved a somewhat unusual distinction in showing an improvement in profitability of property companies which are still solvent and reporting a downturn. Unidev, which has an annual rent-roll of R12m., has a rental and a contracting side, and the combined performance, after a downturn in contracting and civil engineering, lifted net attributable income from R2.6m. in R3.4m., an all-time high. The dividend was raised from 6.75c to 7.5c, putting the shares at 80c on a yield of 9.4 per cent.

Domestic prices

But at R150, the domestic price is about R15 below the cost of production and the present LDP level of £130, which translates back to R195 for exports, 40 per cent of South African output, is not enough to subsidise home sales as in the past. This has led to depletion of the industry's big Price Stabilisation Fund. Apart from the good outlook for 1977-78, the industry needs some resolution of how domestic prices are to be determined and is also hoping for a favourable outcome from the present talks.

THYSSEN

RECOVERY IN BUSINESS ACTIVITY RISING TRENDS IN PRODUCTION, SALES AND RESULTS TRADING SECTOR ACHIEVED MARKED INCREASE IN PROFITS

The following is a summary of the Annual Report 1976-77 submitted by the Management of August Thyssen-Hütte to the annual meeting of Shareholders.

Economic Situation and Markets Following the preceding severe recession, the first half of the 1976 calendar year produced a general economic recovery. There was a sharp expansion in the previously very depressed volume of world trade, and in the Federal Republic of Germany, too, the strongest stimulus originated in the exports field. Investment in fixed assets also rose, but only just regained the level of 1973. The upward trend of the world steel markets faltered in the early summer of 1976. Moreover, on account of declining sales in their domestic markets steel companies in a number of countries outside the European Economic Community launched an aggressive export offensive, thus further hampering the sales potential of the German steel producers.

Table with 2 columns: ASSETS and LIABILITIES. ASSETS: Invested capital 15,931.2, Gross fixed assets 11,163.1, Depreciations 4,768.1, Net fixed assets 1,018.7, Financial assets 5,786.8, Current assets 7,963.0, Total assets 13,749.8. LIABILITIES: Share capital and reserves 3,694.5, Other reserves 3,707.9, Financial indebtedness 2,780.9, Other liabilities (incl. dividend) 3,666.5, Total liabilities 13,749.8.

Future Prospects The future development of business activity in the Federal Republic of Germany depends on whether the German economy can maintain its position in world trade. In order to consolidate the upswing it is also necessary that a revival in capital investments both at home and abroad takes place.

Province of Quebec, Canada U.S. \$300,000,000 Floating Rate Loan Managed by Orion Bank Limited, The Royal Bank of Canada, Bank of Montreal, Canadian Imperial Bank of Commerce, Banque Nationale de Paris, Chase Manhattan Limited, Chemical Bank, Citicorp International Group, Morgan Guaranty Trust Company of New York, National Westminster Bank Limited, Societe Generale, Westdeutsche Landesbank Girozentrale. Provided by the above banks and Algemene Bank Nederland N.V., Bank of America N.T. & S.A., La Banque Mercantile du Canada, Bankers Trust Company, The Toronto-Dominion Bank, Bank of British Columbia, Mitsubishi Bank (Europe) S.A., Amsterdam-Rotterdam Bank N.V., Banque Canadienne Nationale, The Bank of Nova Scotia, The Bank of Tokyo, Ltd., Commerzbank Aktiengesellschaft, Wells Fargo Bank N.A., Banque de Paris et des Pays-Bas.

The Property Market

BY QUENTIN GURDHAM

Canada - now MEPC backs out

MONTREAL, May 18.

HAVING SCALED the heights of the Canadian property market, the British are on the retreat here. MEPC's dealing to sell its Canadian subsidiary got far enough advanced by Wednesday to force it into a stock exchange announcement on the terms being discussed, and if the sale goes through then two of the three major British public company holdings in Canada will have been sold and the third much diluted in little over a year.

Last year Capital and Counties sold out Abbey Glen Property of Toronto at a loss of £25.3m., English Property sold 11.5 per cent of Trizec, and voting control, to raise for the moment £20m., now MEPC is seen to sell its 65 per cent of MEPC Canadian Properties, for the equivalent of £22m., virtually the stated asset value and £313.6 a share when the shares had not been above £10 for three years.

There is no doubt about who did worst, with Capital and Counties having gone into Canada too late, deterred by payment and sold from palpable weakness, but the other two retreats have been better calculated.

MEPC's sale would mean a significant improvement to its

debt-equity ratio, down from around 50 per cent to a respectable 50. It also makes a proper dividend a more immediate possibility. Against that MEPC sells the most profitable overseas subsidiary it has and one in which, if it was not for the current British disease of refusing to take more debt on to the parent company balance-sheet, might be further improved by an ability to spend some money on exploiting and updating the portfolio.

But MEPC is set to get a good price in a hot market. All calculations on Canadian property must be gauged against a mood of uncertainty or depression about national economic prospects which makes a first-time visitor feel quite at home. Also it must be judged against the property consideration of the market which deals in five or 10-year leases, not 25 years, and one where every boom period produces developers, happy to buy potential tenants out of their present leases into the next generation of office blocks.

MEPC Canadian might have been particularly vulnerable to this belief in the modern—the two outstanding new blocks in Toronto's central district, the Bank of Montreal tower and the Royal Bank of Canada plaza, are results of the second redevelopment of their sites since the last war. MEPC has also found the most libal bidder. Tax-paying property companies could not afford the price of Pension Fund Realty, which even in a market where the institutions are cautious about equity investment

in real estate, had to be the top payer.

In Morguard Trust, parent of Pension Fund Realty, is a company which started by brokering the developers' need for mortgages to Canadian institutions. These, in turn, wanted someone to manage those mortgages once granted. It passed \$Cdn. under management last year. In FF Realty, it has 18 pension funds which subscribe for units, not in a general exempt property unit trust, as in Britain, but on the basis of which fund wants to go into which individual properties. It still has to confirm which funds want to buy MEPC Canadian, but presumably it, and non-resident controlled companies.

In practice, in terms of federal control through the Foreign Investment Review Act, that threat seems to have gone (of 10 decisions affecting foreign property investment only one, and that the first and on special grounds, was averted). Forget too the proceeds out of Britain (likely, Ontario land transfer tax, the big scare of the time for foreign investors, as applied to commercial or industrial property. And the betting is that real estate outside farm land, is one of the last things the new Quebec secessionist Government will get around to thinking about.

But if the loose ends can be agreed, then this will be a milestone bid. Funds in Canada like the insurance companies, have been slower than in Britain to put risk money into property. If they take a portfolio like this, even unutilised, they will suddenly catch up with the rare examples of British funds buying whole companies.

In doing so, they would also produce a parent MEPC free of the Canadian depreciation charges reduction on distributable earnings and a balance-sheet where the total may go below \$300m. (from nearly \$740m.) but shareholders' funds scarcely drop at all. While sacrificing the future of a conservatively-built portfolio, this looks the right deal in the light of Canada's economic uncertainty and MEPC's present limitations.

Those limitations were admitted when the third and many which started by brokering the developers' need for mortgages to Canadian institutions. These, in turn, wanted someone to manage those mortgages once granted. It passed \$Cdn. under management last year. In FF Realty, it has 18 pension funds which subscribe for units, not in a general exempt property unit trust, as in Britain, but on the basis of which fund wants to go into which individual properties. It still has to confirm which funds want to buy MEPC Canadian, but presumably it, and non-resident controlled companies.

In practice, in terms of federal control through the Foreign Investment Review Act, that threat seems to have gone (of 10 decisions affecting foreign property investment only one, and that the first and on special grounds, was averted). Forget too the proceeds out of Britain (likely, Ontario land transfer tax, the big scare of the time for foreign investors, as applied to commercial or industrial property. And the betting is that real estate outside farm land, is one of the last things the new Quebec secessionist Government will get around to thinking about.

But if the loose ends can be agreed, then this will be a milestone bid. Funds in Canada like the insurance companies, have been slower than in Britain to put risk money into property. If they take a portfolio like this, even unutilised, they will suddenly catch up with the rare examples of British funds buying whole companies.

square foot—in Montreal. That development was almost 3m. square feet, an indication of the scale on which guts are cleared here, and there remains a leaning to Montreal in the Trizec portfolio. It will take more successful development elsewhere to eliminate the impression that Trizec, now under the management control of one arm of the Bronfman family, is the Montreal answer to the rival Bronfman Toronto-based Cadillac-Fairview interests.

Strong demand

Trizec has plenty of answers, such as the Calgary lettings of nearly 600,000 square feet of office space. That is in the best market at present in Canada, Calgary and Edmonton being the two cities where the only strong demand in offices and hotels is evident. Trizec also has its expanding U.S. interests at a time when the best managed Canadian properties companies, despite protestation of backing the federation, are trying to divert as much investment as possible south of the border.

Opinion in Canada is that despite some problems in the immediate future the best thing that could have happened to Trizec is an active role taken by the Bronfmans through Edger Investments, a move which included a move for some senior management from Montreal to Calgary.

That shift was nothing to do with the policies of separatist Quebec, but many threatened moves are. The Royal Bank of Canada, Du Pont of Canada, Northern Telecom, Canadian Pacific and Canadian Industries are the major names among 50 corporations said to be considering moving their head offices out of Montreal if the Parti Quebecois goes through not just with a referendum on independence but with a language law which imposes French on all businesses in the province.

The shift in head offices that might follow would not just be a consequence of M. Levesque. In the early 1950s there were more head offices of Canadian corporations in Montreal than in Toronto, but by 1973 that equation had altered to only six Montreal head offices to every 10 Toronto ones. And, in property terms, the strength of the new threat to move out of Quebec may have limited effect. If a head office becomes a provincial office then the difference in floor space may not be that significant, say believers in the Montreal market. Also on their side they have floor space figures for Montreal which indicate less over-supply of office space than most centres of Canada. Toronto has 3m. sq. ft. vacant against about 1m. sq. ft. of space taken up in a good year, Vancouver has 1.8m. sq. ft. empty against 1m. sq. ft. a year, Winnipeg has a stilly 1.8m. sq. ft. against 350,000 sq. ft. a year at best. Montreal has about 1m. sq. ft. vacant and practically nothing being built.

But for the present, there are doubts on capital values, particularly in regard to the new shopping centres being let in a period when retailers are looking nervously at the static trend of some evidence of eases in Quebec at knock-down prices and Montreal itself has its own disaster stories—a group of private German investors who ran out of money only just above ground level on a 400,000 sq. ft. block on Sherbrook Street, and a proposed Holiday Inn which has been standing half finished for a year.

These are exceptions, for the Canadian property market, having never reached the peaks of the U.S. or British booms, has equally avoided so far the worst of the slump. There are five Canadian real estate investment trusts and none is in

trouble. There have been some small company failures, and mortgages have foreclosed on individual buildings. But so far no public group has sold it, though S. B. McLaughlin Associates (developer of the Holiday Inn) and Campeau Corporation have obvious difficulties.

The conservative funding policy of the banks and insurance companies, refusing the levels of leverage common in the U.S., is the main reason, and while they may cut their lending in Quebec, this will be a gradual process. More typical was the statement from the president of Manufacturers Life Insurance that "our assets in Quebec exceed our liabilities and we are continuing to invest in Quebec to ensure that this condition does not change."

One British investor which will find out soon enough is Montreal in a safe home for its money is the Post Office Staff Superannuation Fund. It has brought us here to see the La Cité development, in which it has \$C16m. in the form of a loan with a participation in rents. The plusses for the scheme are that despite the bad winter and the construction labour problems during the Olympic Games period, costs at around \$C110m. have risen less than 10 per cent, above the 1974 estimates on which the Post Office Fund committed its loan.

The management, and the majority of the risk money is associated with Heitman Mortgage Company of Chicago, the Fund's adviser in North America. And Norman Nuremberg, who conceived the project as far back as 1963, is a man with a record for giant projects—including Pilsa. Bonaventure all financed back-to-back.

here in Montreal and the Crown Centre in Kansas City. The dangers are not limited to this being a development in Montreal at a difficult time. It is also several blocks to the north-east of the financial centre, by the foot of Parc Mont Royal, and as such is something of a social experiment. But 75 per cent of its 386,000 square feet of office is let, a record which matches other new blocks in Montreal. The management claims the leasing of the 1,382 apartments, in which the Post Office fund has no interest, is on schedule, with nearly 400 of the first 600 finished now taken. The 218,000 square feet of retailing is a greater problem, with only 47 out of 85 units yet taken in the third month of trading (but that includes an anchor food store which means 62 per cent of the shopping space is taken). And while the 800-room hotel is run by one of the top management groups, Loews, it is up against a slack market throughout Canada (withdrawal of U.S. tax concessions on foreign conventions has been a contributory factor). Average hotel occupancy in Montreal was down from 67 per cent to 61 per cent, last year, and in Montreal dropped to 55 per cent. The Loews La Cité was still under 50 per cent occupied in April but, says the May figure so far is up to 70 per cent.

The Post Office Fund's Calgary and Victoria, British Columbia, investments which will take 18c a share in Canada to \$40m. by the end of the year, are in more conventional properties—the Calgary office tower, opened last December, is 90 per cent let, and more conventionally financed on back-to-back loans. The second \$5m. of the La Cité loan is going, through the dollar premium. This will be the first premium purchase of North American investment money by the Fund, which by the end of the year will have \$25m. in U.S. property, including Pilsa. Bonaventure all financed back-to-back.

The Post Office Fund's Calgary and Victoria, British Columbia, investments which will take 18c a share in Canada to \$40m. by the end of the year, are in more conventional properties—the Calgary office tower, opened last December, is 90 per cent let, and more conventionally financed on back-to-back loans. The second \$5m. of the La Cité loan is going, through the dollar premium. This will be the first premium purchase of North American investment money by the Fund, which by the end of the year will have \$25m. in U.S. property, including Pilsa. Bonaventure all financed back-to-back.

The Post Office Fund's Calgary and Victoria, British Columbia, investments which will take 18c a share in Canada to \$40m. by the end of the year, are in more conventional properties—the Calgary office tower, opened last December, is 90 per cent let, and more conventionally financed on back-to-back loans. The second \$5m. of the La Cité loan is going, through the dollar premium. This will be the first premium purchase of North American investment money by the Fund, which by the end of the year will have \$25m. in U.S. property, including Pilsa. Bonaventure all financed back-to-back.

INDUSTRIAL AND BUSINESS PROPERTY

K for Industry

ASHFORD, Kent	6,000 sq. ft.
BEDFORD	85,300 sq. ft.
BLETCHLEY	86,000 sq. ft.
BRAMHALL	1-11 Acres
CANTERBURY, Kent	5,900-61,000 sq. ft.
CHELMSFORD, Essex	6,000-50,000 sq. ft.
CROCKWOOD, N.W.2	53,260 sq. ft.
DAGENHAM, Essex	5,000/13,000 sq. ft.
ENFIELD, Middx.	38,265/78,000 sq. ft.
ERDINGTON, West Midlands	12,889 and 15,474 sq. ft.
HALESOWEN, West Midlands	16,000 and 18,000/34,000 sq. ft.
HEATHROW, Middx.	26,000 sq. ft.
HORNSEY, N.E.	10,500 sq. ft.
LEEDS	12,240 sq. ft.
LEWES, Sussex	5,000-50,000 sq. ft.
LONDON, E.15	10,720/18,730/24,810 sq. ft.
LONDON, E.C.2	21,720 sq. ft.
LONDON, N.16	75,500 sq. ft.
LONDON, W.10	7,000 sq. ft.
MAIDSTONE, Kent	6,860 sq. ft.
MITCHAM, Surrey	8,500 sq. ft.
NEWBURY, Berks.	25,255 sq. ft.
NOTTINGHAM	from 5,000-60,000 sq. ft.
OLDHAM	2,100-13,000 sq. ft.
PORTSLADE, Sussex	15,180 sq. ft.
PLYMOUTH	51,760 sq. ft.
READING, Berks	27,000 sq. ft.
SOUTHAMPTON	10,000 sq. ft.
SOWERBY BRIDGE	13,400 sq. ft.
STANMORE, Middlesex	8,460 sq. ft.
TAUNTON	4,350 sq. ft.
TESSIDE	6 x 5,000 sq. ft.
TONBRIDGE, Kent	15,950 sq. ft.
TRAFFORD PARK (Manchester)	Offices 25,000 sq. ft.
TYNE & WEAR	34,678 sq. ft.
UXBRIDGE, Middlesex	6,000 sq. ft.
WAKEFIELD	from 3,000-20,000 sq. ft.
WEST BROMWICH	307,175 sq. ft.
WEST HOUGHTON	6,240-20,670 sq. ft.
WEST MOLESEY	32,500 sq. ft.
WORSLEY	4,050-18,625 sq. ft.
WYTHENSHAW (Manchester)	5,285-31,820 sq. ft.

King & Co
Chartered Surveyors
1 Snow Hill, London, EC1
Telephone 01-236 3000
Telex 885485
Also in Manchester, Leeds and Bristol

By order of **CCPC** Capital & Counties Property Company Limited

The Knightsbridge Estate

The most valuable and exciting portfolio of Freehold Investments in London to be offered for sale by public auction this decade.

90 Shop Premises, 4 Banks, 350 flats & apartments, 92,500 sq. ft. approx. offices and commercial premises, multi-storey car park (310 spaces), 4 hotels, a public house, a G.L.C. Fire Station.

Total present rent roll approx. £1.9m. Exceptionally valuable Reversionary Potential.

For Sale by Auction in 28 lots on 5th July at 11 a.m. at the Grosvenor House, Ballroom Park Lane, London W1.
(Unless previously sold as a whole or major part by Private Treaty)

Full Catalogue now available Price £5 on application to the Auctioneers.

JONES LANG WOODHEAD
Chartered Surveyors
103 Mount Street, London W1V 6AS. Telephone: 01-493 6040 Telex: 23658

In conjunction with **MATTHEWS GOODMAN** (Mabon House, 72 Upper Thames Street, EC4R 3UA Telephone: 01-248 3200) and **Marler & Marler** (6 Smeeth Street, London SW7B 9LF Telephone: 01-235 9641)

Defoe House Barbican, E.C.1

Newly completed office development offering 10,600 sq. ft. of the best City accommodation at half City rent rates.

* On lease or freehold.

Goldstein Leigh
10 Northumberland Alley, London, EC1N 2EP. Tel: 01-629 6373

NEWTON PERKINS
41 FIDDLERS LANE, London, EC1N 2EP. Tel: 01-629 6373

With Rowlinson it's easy to find your new Factory or Warehouse.

Rowlinson
100 Abchurch Lane, London EC4N 3DF
Tel: 01-475 3800

HARROW
8,000 sq. ft. Office Building
Lift • Central Heating • Parking
To Let At Under £3 per sq. ft.
On New Lease (Ref. NKR)

Leavers
38 Brunel Street London W1X 6AD
Telephone 01-629 4261 01-483 2012
Dublin Edinburgh Madrid Valletta Cannes

Offices Office sites Factories Warehouses

Telephone: 0733-68931 Ext 326
Chief Estates Surveyor
Essexborough Development Corporation
PO Box 3 Peterborough PE1 1UJ

CRAWLEY
Sussex A Cignet Group Development
New Warehouse and Office 51,000 sq. ft. To Let
1/2 mile from link road to M23. 2 miles from Gatwick Airport. 23' eaves height. 750 lbs floor loading. Self contained offices. Available June 1977.

Sole letting agents: **DONALDSONS**
70 Jermyn Street London SW1Y 6PE
01-830 1050

WATFORD
HERTS
sq. 78,000 ft.
ON 3-6 ACRES
Modern Warehouse or Industrial Building + Offices
* Single storey * London 17 miles * Close to M1
TO LET (might divide)

Edward Erdman
6 Grosvenor Street London W1E 6DF 01-493 8911
1000 • PARIS • GLASGOW • AMSTERDAM

Gordon Hudson & Co.
147 The Parade, Watford WD1 1NF
Tel Watford 39771

EAST MAINS INDUSTRIAL ESTATE BROXBURN
NEAR EDINBURGH
FREEHOLD FOR SALE
MODERN SINGLE STOREY FACTORY
Gross floor area 35,000 square feet
SITE AREA 7.2 ACRES
For full details apply Joint Sole Agents:

J. TREVOR & SONS
58 GROSVENOR STREET LONDON W1X 0DD
Tel: 01-629 8151 (20 lines)

R. Kenneth Roden and Partners
71 HANOVER STREET EDINBURGH EH2 1EF
Tel: 031-225 6333

KENSINGTON MODERN OFFICES 3,363 SQ. FT. TO LET

* FULL AIR CONDITIONING * FULLY FITTED KITCHEN
* SELF CONTAINED BUILDING * FULLY CARPETED

Sole agents: **SEYMOUR & CO. GOLDWORTH**
100 Abchurch Lane London EC4N 3DF
01-475 3800

July 1975



CITY OF LONDON

MALVERN HOUSE EC4

23,440 sq. ft.
MODERN OFFICES

TO LET

OR UNITS FROM
3,530 sq. ft.

Healey & Baker
Established 1820 in London
118 Old Broad Street, London EC2N1AR
Telephone: 01-428 4361

G. I. Hearn & Partners 44-46 Borough High Street
London Bridge, SE1 1XP
01-407 5321



CITY OF LONDON

26 RED LION SQUARE WC1

SELF-CONTAINED OFFICE BUILDING
APPROX. 16,500 sq. ft.
for in sections of 8,000 sq. ft. & 8,500 sq. ft.
TO LET

- * Rent under £3.30 per sq. ft.
- * New lease * Lift
- * Central heating * Fitted Carpets
- * Newly decorated

Healey & Baker
Established 1820 in London
118 Old Broad Street, London EC2N1AR
Telephone: 01-428 4361
A/S of ST GEORGE STREET, MANOVER SQUARE, LONDON, W1A 4EG
ASSOCIATED OFFICES PARIS, BRUSSELS, AMSTERDAM AND JERSEY

West London —

**PRESTIGE HEADQUARTERS OFFICES,
FACTORY & WAREHOUSE PREMISES**
164,000 sq. ft. on 14 Acres

For details of this impressive
property now available for
disposal with vacant
possession apply Sole Agents:-

Chamberlain & Willows

Estate Agents - Surveyors - Valuers
23 MOORGATE LONDON EC2R 6AX 01-638 8001

Park Lane W1 Offices

~Banking Hall
5,160 square feet
Lease for Sale

Joint Sole Agents
Weatherall Green & Smith
22 Chancery Lane, LONDON WC2A 1PL
01-405 6944
Walter & Co
Commercial Property Specialists
01-661 9356

Superb Site for Hotel JERSEY C.I.

FACING SOUTH DIRECTLY ADJOINING
SANDY BAY
PLANNING CONSENT GRANTED
FOR 210 DOUBLE BEDROOMS
and fullest supporting accommodation in every sense.
Also valuable leisure and amenity potentials.

FOLKARD AND HAYWARD

CHARTERED SURVEYORS

115 BAKER STREET LONDON W1M 2AY
Tel: 01-935 7799

SAINT PETER'S COLLEGE OF EDUCATION, BIRMINGHAM

Close to the City Centre and M6 Motorway

- A fully equipped Training College for Teachers with fine buildings and facilities, capable of adaptation for many purposes:-
- * Study Bedrooms for about 250
 - * Dining Hall and Common Rooms
 - * Many Lecture and Tutorial Rooms
 - * Laboratory
 - * Newly completed Library Complex
 - * Assembly Hall (to seat 200) and Chapel
 - * Four Staff Houses and six Staff Flats
 - * Ample Car Parking
 - * Recreational Facilities and Playing Field

TOTAL AREA OF BUILDINGS—OVER 100,000 SQ. FT.
SITE AREA—NEARLY 71 ACRES
For Sale by Private Treaty, Freehold
Apply

Cheshire, Gibson & Co.

2 Temple Row, Birmingham B2 2LY Tel: 021-661 8211 and London

PRESTIGE, MODERN WAREHOUSE OFFICES TO LET READING, BERKSHIRE

Excellent setting, overlooking River Thames
WAREHOUSE 37,000 sq. ft. approx.
OFFICES 17,400 sq. ft. approx.

AMENITIES:
* Extensive Yard Space * Offices heating & lighting installed.
Accommodation can be split to provide:
UNIT 1 Warehouse 14,500 sq. ft. Offices 8,850 sq. ft.
UNIT 2 Warehouse 21,000 sq. ft. Offices 8,543 sq. ft.

For appointments to view and further details contact:-

A.C. Frost & Co Commercial Department,
3 High Street, Windsor, Berkshire, Windsor 44555/6.
DONALDSONS 70 Juniper Street,
London SW1Y 6PE. 01-730 1090.

HIGH HOLBORN, W.C.1. (Adj.)

TO LET
SUPERBLY MODERNISED SELF-CONTAINED
OFFICE/SHOWROOM BUILDING
SQ. 3,420 FT.
LIFT * C/H * CARPETS

MOSS & PARTNERS
Tilney House, 3 Tilney Street, London W.1. 01-629 9823

New air conditioned offices
MAPLE HOUSE
149 Tottenham Court Road, W1
Now mainly let
Two Floors Remain
UNITS FROM 8,900 sq. ft. TO 39,000 sq. ft.



TO LET
£8.50
per sq. ft.

SOLE AGENTS
Henry Davis & Company 101 New Bond Street
London W1Y 9LG 01-499 2271
MATTHEWS GOODMAN Malvern House,
72 Upper Thames Street,
London EC4R 3UA 01-248 3200

54 St. James's Street London SW1

11,363 sq ft
Refurbished Offices & Showrooms

- AMENITIES
Full air-conditioning.
High speed automatic passenger lift.
Double-glazing.
24 hour access.
Fully carpeted.
Security system.

Terms upon application.
Possession immediate.

Herring Son & Dav

Chartered Surveyors

26, 28 Sackville Street London W1X 3QL Telephone 01-734 8155

TO LET

KENSINGTON HIGH STREET

An impressive and luxuriously
appointed air-conditioned office
building. Remaining accommodation

36,220 square feet

- Superb Entrance and Reception area
- Private Car Park. Up to 55 additional spaces
- Close Carpeted throughout ● Fully Decorated
- Air Conditioned

A detailed inspection is invited by appointment through the
landlord's Surveyors:-

Wright & Partners
32 St. James's Street London SW1A 1HD
Telephone: 01-493 4121

ARUN DISTRICT COUNCIL

Bognor Regis Sea Front
Redevelopment Area
Residential development
land suitable for luxury
flats
Prime Site
with Sea Views
Planning Brief and further
particulars from:
Planning Officer,
4/5 Maltravers Road,
Littlehampton,
Sussex BN17 5EP.
Tel: Littlehampton 6133

BELLINGHAM TRADING ESTATE RANDLESDOWN ROAD CATFORD, LONDON, S.E.6.

TO LET
Warehouse or Industrial Units
TOTAL AREA 121,882 sq. ft.
Units of 4,004—5,751 sq. ft.
or multiples thereof
Immediate Occupation
APPLY TO:
FRANTHORNE INVESTMENTS LIMITED
OSBORN HOUSE, OSBORN TERRACE, LEE ROAD,
LONDON, SE3 9DP.
Telephone: 01-852 7407

ON THE INSTRUCTIONS OF THE CORPORATION OF LONDON

PORTLAND HOUSE

72/73 BASINGHALL STREET EC2

Completely refurbished office building
sq. 30,000 ft.
Between Guildhall & Bank of England

TO LET

joint sole agents



THE CITY SURVEYOR
CORPORATION OF LONDON
Guildhall London EC2P 2EJ
Tel: 01-606 3030 Ext 2530



Edward Erdman
23 COLLEGE HILL, CANNON STREET, EC4A 2HT 01-236 3611
LONDON · PARIS · GLASGOW · AMSTERDAM

Just the ticket...

TWO NEW PRESTIGE WAREHOUSE UNITS
19,360 sq ft & 41,710 sq ft TO LET

PERIVALE

SINGLE STOREY

CLEAR SPACE EXCELLENT LOADING, 21' TO EAVES, OFFICES AND AMPLE PARKING, ADJACENT CENTRAL LINE TUBE STATION, JUST OFF THE A40 CLOSE LONDON AIRPORT, M4, M3 AND THE NORTH CIRCULAR ROAD

BERNARD THORPE & PARTNERS
1, BUCKINGHAM PALACE ROAD
LONDON SW1W 0QD
TELEPHONE 01-834 6890

JOHN D. WOOD
By Direction of The Secretary of State for Social Security.
STANMORE—MIDDLESEX
Central London 11 miles
At road 1 1/2 miles

A VICTORIAN GOTHIC MANSION
With panoramic views over London.
Ideal for Institutional, Residential or Educational use.
(subject to planning permission)
Providing about 17,300 sq. ft. of useable floor space.

OUTBUILDINGS
ENTRANCE LODGE COTTAGE
Extending to about 41 ACRES.
Freehold for Sale by Auction.
Apply Berkeley Square Office:
(Ref. D.C.14)

23, BERKELEY SQUARE,
LONDON W1X 6AL.
Tel: 01-429 9050

INTERNATIONAL PROPERTY
A Financial Times Survey
MONDAY, MAY 30th 1977

For details ring
TERRY DRUCE
01-248 8000/7196 or 7116

No. 12 Austin Friars
London EC2.



Self-contained Office Building
To Be Let
7,000sq.ft.

JONES LANG WOOLTON
Chartered Surveyors
33 King Street,
London EC2V 8EE
Tel: 01-606 4060
Telex: 885557

58 Queen Anne St., London W.1.
fully equipped self contained Georgian Office Building

9,335sq ft Accommodation

Thoroughly modernised with new lift, new central heating, new toilets, fitted carpets and curtains, period light fittings and PABX telephone system, INCLUDING MEWS FLAT WITH GARAGING FOR 3 CARS.

TO BE LET

DE & J LEVY
01-930 1070
Estate House, 130 Jermyn Street,
London SW1Y 4UL

Strutt & Parker
13 Hill Street, London W1X 6DL,
Tel 01-629 7282

On the instructions of the Receiver/Manager, Kevin J. Kelly Esq., F.C.A. (Coopers & Lybrand) Co-operative Agricultural Purchases Ltd. (in voluntary liquidation), we offer:

For Sale by Tender June 15th, 1977

EXCELLENT INDUSTRIAL INVESTMENT OPPORTUNITY

BELLEVUE, FERRYBANK, WATERFORD

COVERED AREA 53,500 SQ. FT. APPROX.
SITE AREA 4 ACRES APPROX.

Large single storey factory/warehouse, two storey offices, laboratory unit and single storey workshop complex. Open concrete surfaced area 46,000 sq. ft. Open hardcore surfaced area 52,000 sq. ft. Adequate room for expansion.

- Strategically located on S.E. coast of Ireland.
- A thriving centre of trade to U.K. and Europe.
- Four miles approx. from Waterford City.
- Private landing jetty on River Suir.
- Beide Waterford/Kinsale Railway.
- Just off Waterford/New Ross Road.
- Includes fertiliser blending plant—annual capacity 100,000 tons.
- Water—60,000 gallons per day—Capacity 250,000 per 24 hours.
- Electricity—2mw sub-station—capacity 5mw.
- Telephone and other facilities.
- Freehold—R.V. £419,95.

Solicitors having carriage of sale: M. J. HORGAN & SON, 50 South Wall, Cork.
Inspection strictly by appointment with the joint agents.

John D. Palmer & Son Ltd.
4 Grey Friars, Watford.
Tel: 051-32061

JONES LANG WOOLTON
Chartered Surveyors
60-63 Dawson St. Dublin 2 Tel 771501 Telex 4126

H.Q.
Western Ave., London W3
Warehouse - Office Building

Warehouse 59,000 sq.ft.
Offices 17,500 sq.ft.

For Sale - To Let

JONES LANG WOOLTON
Chartered Surveyors
33 King Street,
London EC2V 8EE
Tel: 01-606 4060.
Telex: 885557.

ST. ANDREW HOUSE
119/121 THE HEADROW, LEEDS

A SUPERB NEW DEVELOPMENT BY:-
SCOTTISH LIFE ASSURANCE CO.

TO LET

15,000 sq. ft.

AIR CONDITIONED OFFICES
2 GROUND FLOOR UNITS
SUITABLE FOR RETAIL OR OFFICES

EDDISONS
Pennine House, Russell Street,
Leeds LS1 3RZ
Tel: (0532) 30101

Humberts
4, Lincoln's Inn Fields,
London WC2A 3DB
Tel: 01-242 3121
Telex 27444

M4
BETWEEN AIRPORT
and WEST END
PRESTIGE HEADQUARTERS
BUILDING

150,000 SQ. FT. APPROX.
Enquiries in confidence to Box T 4652,
Financial Times, 10, Cannon Street,
EC4P 4B7.

John D. Palmer & Son Ltd.
4 Grey Friars, Watford.
Tel: 051-32061

JONES LANG WOOLTON
Chartered Surveyors
60-63 Dawson St. Dublin 2 Tel 771501 Telex 4126

NEW OFFICES
ONLY £1.95 P.S.F.

TRING (see inside cover)

CRICKSHANKS
0494 23701

BANBURY

New Factory Unit ready for immediate occupation
12,800 sq. ft. Factory Space : 1,250 sq. ft. Offices
Fully Fitted out with Lighting and Heating
Rental Only £11,250 Per Annum
Premium For 25 Year Lease—£12,500

Sole Agents:

EDWARDS BIGWOOD & BEWLEY
13 Horse Fair
Banbury Oxon
0295 50484

CLEETHORPES BOROUGH COUNCIL
OFFER SITES FOR

121 Site from Hotel development
121 Site from Luxury Flat development at Hotel
The above two sites are available for mixed use development.
Site 121 for a 100-roomed Hotel with space for 200 cars
Site 121 is an infill development of 3 storeys for Luxury Flats
Hotel, located on the commercial sea front.
Cleethorpes has recently received development area status and the English Tourist Board's grant scheme applies to hotel developments within the Borough.
In addition a loan scheme is run by the Yorkshire Tourist Board.
The Council is determined to secure an early development of the sites and will be pleased to consider detailed proposals from interested developers.
A development brief is obtainable for site 121 and further details of both sites can be obtained from Mr. M. C. Butler, A.P.I.C.S. Estates Manager, Telephone Cleethorpes 0472 661111 Ext. 314.

A. FARNER, Chief Executive.

Cleethorpes Borough Council,
Council House,
Cambridge 20199
CLEETHORPES
DN21 1RN

BLETCHLEY, Milton Keynes

FACTORY AND OFFICE PREMISES
86,700 sq ft
(Capable of sub-division)
Full sprinklers, heating and lighting
FOR SALE FREEHOLD
or might consider leasing
Milton Keynes Development Corporation would assist in employee housing

King & Co Chartered Surveyors
1 Snowhill, London EC1 Telephone 01-236 3000

TOO MANY ROOFS?
WHY NOT PLAN FOR 1980 AND GET UNDER ONE COVERING

200,000 SQ. FT.

Air Conditioned Offices
Prominent Position Central London

Interested Lessees or their Surveyors are invited to hold exploratory talks.

Write Box T, 4651, Financial Times, 10, Cannon Street, EC4P 4B7.

LIVERPOOL CITY CENTRE
OFFICES

NORWICH HOUSE, WATER STREET
7,500 sq. ft. in new air conditioned building
Last remaining unit — might split

CASTLE STREET
A rare opportunity to acquire ground floor space in modern building
8,600 sq. ft. — might split

Apply:
BEAVAN MAPLES & CO.
25 CASTLE STREET, LIVERPOOL, L2 4TB TEL: 051-236 7381

KINGSTON UPON THAMES
PRESTIGE RIVERSIDE OFFICES

3,000-6,000 sq. ft. TO LET
INITIAL RENT
Less than £4 per sq. ft.!

COYON COMMERCIAL
01-543 1231
20, Crown Lane, Morden, Surrey.

JOHN D. WOOD
SOUTH HAMPSHIRE

Portsmouth 12 miles. Havant Station 6 miles. Petersfield 6 miles.
A FINE VICTORIAN MANSION IN A LOVELY POSITION WITH VIEWS TO THE SOLENT
IDEAL FOR TRAINING CENTRE, EDUCATIONAL, PRIVATE HOSPITAL, NURSING HOME OR SIMILAR USE
PLANNING PERMISSION FOR CONVERSION TO RESIDENTIAL USE
Having 20 Bedrooms and lavatories 1573 sq. ft. of useable space
3 Self Contained Flats Central Heating, Garage and Outbuildings
Lovely Gardens and Grounds with Cricket Ground and Pavilion, Tennis Squash Court, Walled Kitchen Garden with Carriage. Entrance Lodge
IN ALL ABOUT 12 ACRES
FREEHOLD FOR SALE BY AUCTION

Joint Agents:
Richard Austin & Wyatt, 78 High Street, Park Road, Havant, Tel: 01-629 8050
John D. Wood, 23 Berkeley Square office (Ref. DCM) Tel: 01-629 8050
10, Southampton office Tel: 0703 2200
23, BERKELEY SQUARE, LONDON W1X 6AL 01-629 9030

by 10 1550

THE UNITS TO LET

Looking for an office to rent?

Central London Offices

NEWTON PERKINS
PROPERTY CONSULTANTS

10 Northumberland Alley, Fenchurch Street, London EC3N 2EP Tel: 01-488 4421

This booklet may have the answer

GREATER PETERBOROUGH

single storey factory

130,000 sq ft (Might divide)

Located on the A15 Lincoln Road within 4 miles of the City Centre.

FOR SALE FREEHOLD

Full details from sole joint agents

King & Co
25a Hill London EC1
Telephone 01 236 3800

Berry Bros & Lugg
11 Market Place
King's Cross
Tel. 517796

Urgently required for clients

Freehold/long leasehold industrial development site

5-10 acres

Anywhere in London or the Home Counties.

Full details to: **C. Manton ARICS**

Debenham & Chinnocks
25 Abchurch Lane
London EC4A 3DF
Tel: 01-236 1520

SAVILLS

ACTON INDUSTRIAL WAREHOUSE
51,200 sq. ft.
LEASE FOR SALE

HOUNSLOW WAREHOUSE/OFFICES
4,907 sq. ft.
LEASE FOR SALE

HOUNSLOW WAREHOUSE 13,261 sq. ft.
OFFICES 8,035 sq. ft.
LEASE FOR SALE

FELTHAM WAREHOUSE/OFFICES
23,000-30,000 sq. ft.
TO LET

LONDON, E.C.1 MIXED COMMERCIAL USE
4,366 sq. ft.
TO LET

20 Grosvenor Hill
London, W.1
01-499 8644

HOME NEWS

Benefits should 'help poor keep good life-style'

BY GERRY BUTCHER.

OWNERSHIP of television sets, washing machines and refrigerators is now part of the life-style of even poor families and social benefits payments should reflect that fact, Professor David Donnison, chairman of the Supplementary Benefits Commission, said yesterday.

He was giving evidence in London to the Royal Commission on the Distribution of Wealth and Income, headed by Lord Diamond.

Speaking on behalf of his Commission Professor Donnison argued that traditionally social security benefits have been pitched below the level of the lowest income class of worker as an incentive to be in work.

But there is little evidence to suggest that this is a very few people find the level of supplementary benefit a disincentive to work, he said.

There is a strong case for poorer families to have such things as television and washing machines. More than 50 per cent of claimants on our service are old age pensioners or sick people to whom TV's and washing machines are vital.

On the question of the supplementary scale rates, Professor Donnison said that his Commission generally favoured improved family support through better child benefits, possibly housing subsidies and through higher tax thresholds.

With more and more people claiming supplementary benefit the Supplementary Benefits Commission published a new handbook today.

It provides a detailed explanation of how the scheme works including the Commission's discretionary powers, with some aspects of policy explained for the first time.

In the forward, Professor Donnison says "the main job of the Commission is to see that those who are entitled to get the supplementary benefit Parliament has laid down as their right."

Supplementary Benefits Handbook - A Guide to Claimants' Rights; SO, price 65p.

Low-income families 'priced out of market'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

HIGHER CASH benefits are probably a more cost-effective way of improving the real incomes of low-income families than increases in the relative wages of the low paid, many of whom are not the main breadwinners of families.

This was argued yesterday by Mr. Malcolm Levitt, an economist, in a lecture in London organised by the Institute for Fiscal Studies.

He pointed out that evidence from other countries, especially the Netherlands, suggested that improvements in the relative wages of the low paid could price them out of the labour market or, as in Italy, lead to black markets for labour.

In his paper on income and income distribution in the U.K., France, the Netherlands and Italy, Mr. Levitt highlighted the severe budgetary constraints in each of the countries. He argued that against this background "there is an urgent need to reassess whether benefits in future are intended to override an adequate but basic safety-net at the level of the Netherlands, and 50 per cent in Italy."

Whether resources can be found to provide more universal benefits intended to rise relative to average incomes, it is unresolvable, especially in Britain, to suppose that resources can be found relatively painlessly by soaking the rich: the ordinary average worker will find an increasing tax and social security burden inevitable in the latter case.

In these conditions the extent to which consumer charges might make a greater financial contribution to social improvements in the relative wages of the low paid could price them out of the labour market or, as in Italy, lead to black markets for labour.

In his paper on income and income distribution in the U.K., France, the Netherlands and Italy, Mr. Levitt highlighted the severe budgetary constraints in each of the countries. He argued that against this background "there is an urgent need to reassess whether benefits in future are intended to override an adequate but basic safety-net at the level of the Netherlands, and 50 per cent in Italy."

Institute of Directors moves into profit

BY CHRISTOPHER DUNN

THE INSTITUTE of Directors report that the institute's made a sharp recovery into the recovery is still holed, black in 1976, and will be moving to new headquarters in London's Pall Mall by the end of the year. Mr. Denys Randolph, chairman, said yesterday at the existing headquarters in Belgrave Square, on publication of the 1976 annual results.

The surplus in 1976 was £120,000, compared with losses of £250,000 in 1975 and £128,000 in 1974. The surplus is mainly the result of "effective cost cutting" and an increase in subscriptions from £14 a year to £30.

The move to the new premises, former home of the United Services Club, was described yesterday as "a hold step" and part of the fundamental re-organisation of the Institute.

The institute has been granted a 65-year lease on the building by the Crown Estate, but is confident that it can repurchase the building at the end of the lease. The bank value of the lease is only £12,000, but they should fetch £500,000. A further rise of £500,000 on redecorating the Pall Mall premises.

The institute intends to turn the new headquarters into a business centre and expand its central position relative to Whitehall and the City.

It is clear from the annual report that the institute's income rose £281,000 to £375,000, but this improvement reassured a drop in membership of 25 per cent to 30,000.

Income from other activities like the use of the club and the institute's magazine, the Director, was either static or falling. Only a sharp cut in Direct Printing charges kept £250,000 in 1975 and £128,000 in 1974. The surplus is mainly the result of "effective cost cutting" and an increase in subscriptions from £14 a year to £30.

The delicate state of the institute's finances is all the more pertinent now, since the £270,000 it plans to spend re-equipping its premises will be borrowed from the Crown Estate day as "a hold step" and part of the fundamental re-organisation of the Institute.

The institute admits that it is in a "highly precarious" position but is confident that it can repurchase the building at the end of the lease. The bank value of the lease is only £12,000, but they should fetch £500,000. A further rise of £500,000 on redecorating the Pall Mall premises.

The institute intends to turn the new headquarters into a business centre and expand its central position relative to Whitehall and the City.

It is clear from the annual report that the institute's income rose £281,000 to £375,000, but this improvement reassured a drop in membership of 25 per cent to 30,000.

Minister warns against oil supplies complacency

BY RAY DAFTER, ENERGY CORRESPONDENT

THE NEED to "spin out" North Sea oil and gas supplies was emphasised by the Government yesterday.

Dr. John Cunningham, Under Secretary of State for Energy, said that Britain could not afford to play King Canute and allow the security of North Sea supplies to create complacency over energy.

The country was spending £26,000 a minute on energy, he told the Yorkshire and Humbershire Economic Planning Council in Leeds. So far its depletion of oil has been plentiful but our supplies for as long as possible to give the maximum breathing space to which to develop new forms of supply—and this involves energy co-operation.

The oil industry might take Dr. Cunningham's remarks as a hint that the Government will apply more controls on the amount of oil produced from the North Sea. So far its depletion of oil has been plentiful but our supplies for as long as possible to give the maximum breathing space to which to develop new forms of supply—and this involves energy co-operation.

"We should not delude ourselves into believing that the advent of North Sea oil will allow us to sit back and relax—letting the energy cares of the world go by. We cannot play King Canute."

Regional aid for State industries

BY DAVID FREUD

NATIONALISED INDUSTRIES subsidiaries received a total of £3.89m. while BP was close behind with £3.29m. The National Coal Board received £1.24m. regional development grant payments in Scotland in the first three months of 1977, according to figures published today in the official magazine Trade and Industry.

The British Steel Corporation, with its Redpath Dorman Long subsidiary, received a total of £1.04m. Other large beneficiaries were IBM (UK) with £740,000. Govan Shipbuilders with £260,000 and Beecham Pharmaceutical U.K. with £200,000.

FACTORIES AND WAREHOUSES

LANCING Sussex

New Warehouse

with high risk sprinklers

20,000 sqft approx.

FULLER PEISER 01-3536831

EAST KENT

Single-storey workshop at warehouse site, 23,000 sq. ft. E.O.T. Cranes. Plus 2-storey office block on 4-acre site. Situated in established industrial area with ample parking space and good access. Water frontage. Available on lease or sale.

Write Box T.4649, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED

REQUIRED BY **Evan Evans Tours Ltd.**

S/S Warehouse

Suitable as Coach Depot

27,000 sq. ft. — 40,000 sq. ft.

To rent or purchase within a 5-mile radius of Charing Cross.

Details to sales clearing agent.

SalterFlex 01-267 2071

HOTELS AND LICENSED PREMISES

Charming Rustic Cottage

21-bedroom Hotel

Licensed Annex

Tudor Home—8 bedrooms.

A FIRST CLASS SITE-OVER 2 ACRES

Walford, Close Station Town Centre and close M1.

Going concern with exceptional potential.

Entire Possession

Hotel Extension or 24 Flats—72 rooms

Inspection invited

Income—Day One

A NOTED "FREE HOUSE" & FREEHOLD

BRITTON POOLE & BURNS 2 Wellington Road St. John's Wood NW8 01-722 1166

BUSINESSES WANTED

We are a North West based public company with substantial cash balances and we are seeking **INVESTMENT OPPORTUNITIES**

If you satisfy the following criteria:

a) Ownership of a successful private company with a good track record showing pre-tax profits in excess of £50,000 net annum;

b) An involvement in light engineering, home improvement, or D.I.Y.;

c) You would like to sell the whole or the majority of your equity for cash and/or shares.

Please write Box E.9947, Financial Times, 10, Cannon Street, EC4P 4BT.

EMPLOYMENT AGENCIES WANTED

Established group of Employment Agencies, based in North West Surrey, seek to expand their activities preferably but not necessarily, in Berkshire, Hampshire, Surrey or Sussex, by the acquisition of an existing agency. Substantial single outlets would also be considered. Strict confidentiality will be observed, and required, in the initial stages. Write Box E.9922, Financial Times, 10, Cannon Street, EC4P 4BY.

BUSINESS REQUIRED

A highly successful company in its own field wishes to diversify into other activities and would be interested in taking control of a manufacturing company—preferably but not necessarily—in the plastics or light engineering environments. Full particulars, which will be treated in confidence, to Financial Director, Box E.9928, Financial Times, 10, Cannon St., EC4P 4BY.

MANUFACTURING BUSINESSES

In the following industries: ELECTRONICS, OPTICS, FOOD PROCESSING, THE PRESERVES INDUSTRY

Recruited in confidence to Box T.4656, Financial Times, 10, Cannon Street, EC4P 4BY.

SHOPS AND OFFICES

SWISS COTTAGE

(100 yards underground)

DELIGHTFULLY RENOVATED PERIOD

OFFICE BUILDING

3,400 Sq. Ft.

PRIVATE PARKING 10 CARS

TO LET or FREEHOLD FOR SALE

C. HENRY BOND & CO.
29 Gloucester Place, W.1
01-935 4963

KEW BRIDGE

OFFICES—20,500 SQ. FT.

TO LET—As a Whole—Ors 12,420 / 5,295 / 2,785 sq. ft.

Good Access to Heathrow, M4 & West End.

FARR & BOND
41 The Broadway W5
01-579 7282

WATERLOO

Entire office & warehouse building to let

22,000 sqft

DE & J LEVY
01-580 1876

NET PROFIT £35,000 P.A.

from part seventeenth century fully licensed hotel with restaurant, lounges and bars in Thames Valley.

Half freehold; remainder on 90-year lease.

Price including valuable inventory

£37,000

London Office:

CHRISTIE & CO
32 BAKER STREET LONDON W1M 2BU 01-486 4231

BUSINESSES FOR SALE

A Growing Cornish Town Department Store with 100ft frontage and £185,000 turnover. Very old established and well thought of business—offers plenty of potential. £135,000. Freehold as a going concern or would consider selling as a property alone. For further details please apply **MICHAEL PRISK** with **JOHN GOBLY**, F.R.I.C.S., Exam Agents, Commercial St., Camborne, Cornwall Tel: 0209 712197

EXCLUSIVE MEN'S WEAR GROUP

PRIVATE COMPANY FOR SALE

Shops in prime central London positions.

Turnover approx. £250,000

Principals only.

Write Box E.9942, Financial Times, 10, Cannon Street, EC4P 4BY.

BOAT BUILDING COMPANY

CHANNEL ISLANDS

7,000 sq. ft.

Good stocks and order book. Excellent export potential.

Write Box E.9941, Financial Times, 10, Cannon Street, EC4P 4BY.

AUSTRALIA: ENERGY

COAL MINING PROPERTY (FREEHOLD)

Minority interest available in underground mine to be established at 80,000 TPA Steaming Coal, for local market. Further 98 million tonnes measured washed saleable soft coking coal reserves at 8-10% ash for future export.

Comprehensive studies undertaken. Seams 4-6 ft thick. Est. Cap Exp \$12 million. Logistics excellent via Newcastle.

Firm Equity Proposals Welcomed.

Principals only: Write/Telex Wogen Australia Pty. Ltd., 461 Bourke Street, Melbourne 3000. Telex: 32260.

PROPERTY APPOINTMENTS

EXPERIENCED COMMERCIAL INVESTMENT NEGOTIATOR

required by a major firm of LONDON CHARTERED SURVEYORS

Top salary and generous commission.

Write Box T.4653, Financial Times, 10 Cannon Street, EC4P 4BY

INTERNATIONAL PROPERTY

CITY OF STUTTGART (WEST GERMANY)

Individual offices administration/office building in town (down-town district) built in 1970. 5 Floors 800m². Parking places. Good general condition and profits. DM2.48m. for owner occupation or investment.

Hans Bense, Silberburgstrasse 167 D-7000 Stuttgart 1.

UNITED STATES—INCOME PRODUCING

constructed factory/warehouse. Excellent Georgia location. annual net lease with tenant of prime financial status. \$425,000 asking price.

COMAIN CORPORATION

100 Investments, 362 Madison Ave., New York, N.Y. 10017 USA. Telephone: (212) 687-8212. Cable: COMAIN NEW YORK

BEST TO INVESTORS

A Prince Edward Island 88 Acres farmed with 200 ft. shoreline. Substantial profit for development.

W. W. Humphreys, F.F.S., 40 Pall Mall, London, S.W.1, England. 01-875 8333

CLASSIFIED COMMERCIAL PROPERTY

FRIDAY'S FT FILLS OFFICE SPACE FAST

shops, business, commercial and industrial property for that matter. Not only fast but economically too. The Financial Times delivers a wide and early-defined business readership, not only in this country but throughout the world as well. And on Fridays these numbers reach that audience in an environment where people can make decisions and action them. If you want to see some action next week, contact us Steward now on 01-248 8000 (ext. 1) to place your advertisement by phone.

Be Le 000sq

1000sq ft

1000sq ft

1000sq ft

1000sq ft

1000sq ft

1000sq ft

FARMING AND RAW MATERIALS

Canada and U.S. agree over wheat

OTTAWA, May 19. NADA and the U.S. have agreed to co-operate in working a new international wheat agreement.

New bid to boost U.K. bacon quality

U.K. BACON pig farmers are to receive more for top quality produce under the terms of the new contract with FMC, Britain's biggest buyer.

Base metals decline led by copper

COPPER LED a general decline in base metal prices on the London Metal Exchange yesterday. Cash wirebars closed \$23.25 down at \$796 a tonne.

HUNGARIAN AGRICULTURE Communist farming system on view

DRIVING INTO Hungary from British, or other West European Communist systems. They seemed to be concentrated in carting for the Communist and capitalist states.

Sunflower crop in Russia may miss target

MOSCOW, May 19. SOVIET sunflower crop is well short of its target this year, because of delays in sowing and problems over the quality of seed.

Coffee down as crop fears ease

COFFEE FUTURES prices on the London market fell sharply yesterday as fears on Brazilian 1978-79 crop prospects began to ease.

World rubber output record

WORLD NATURAL and synthetic rubber output and consumption were at record levels last year, according to data issued by the International Rubber Study Group.

Silkin backed on farm rating stand

THE GOVERNMENT'S decision statement noted that the Government's rating of agricultural land and buildings, which was recommended by the Layfield committee on local government farming productivity and food production, was welcomed yesterday.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS table with columns for metal name, unit, price, and change.

COFFEE table with columns for variety, unit, price, and change.

SOYABEAN MEAL table with columns for variety, unit, price, and change.

PRICE CHANGES

Price changes table with columns for commodity, price, and change.

U.S. Markets

U.S. Markets table with columns for commodity, price, and change.

A FINANCIAL TIMES SURVEY LEAD AND ZINC

The Financial Times is preparing to publish a survey on lead and zinc in its edition of June 14 1977. The editorial coverage will include a discussion of likely developments for the two base metals as industrial activity recovers.

LEAD table with columns for quantity, price, and change.

ZINC table with columns for quantity, price, and change.

COCOA table with columns for quantity, price, and change.

COFFEE table with columns for variety, price, and change.

WOOL FUTURES table with columns for variety, price, and change.

RUBBER table with columns for variety, price, and change.

COPPER CONTACT GROUP FORMED table with columns for variety, price, and change.

MEAT/VEGETABLES table with columns for commodity, price, and change.

SILVER table with columns for quantity, price, and change.

COFFEE table with columns for variety, price, and change.

JUTE table with columns for variety, price, and change.

GRAINS table with columns for variety, price, and change.

COPPER CONTACT GROUP FORMED table with columns for variety, price, and change.

PALM OIL table with columns for variety, price, and change.

HIDES-MANTLES table with columns for variety, price, and change.

SILVER table with columns for quantity, price, and change.

GRAINS table with columns for variety, price, and change.

HIDES-MANTLES table with columns for variety, price, and change.

he proposed publication date is June 14 1977. Copy date is June 1. For further details of the proposals and advertisement rates contact Wicks, 01-248 8000 extension 211, Financial Times, Brackley House, 10 Cannon Street, London EC4P 4DY. Telex: 885033.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

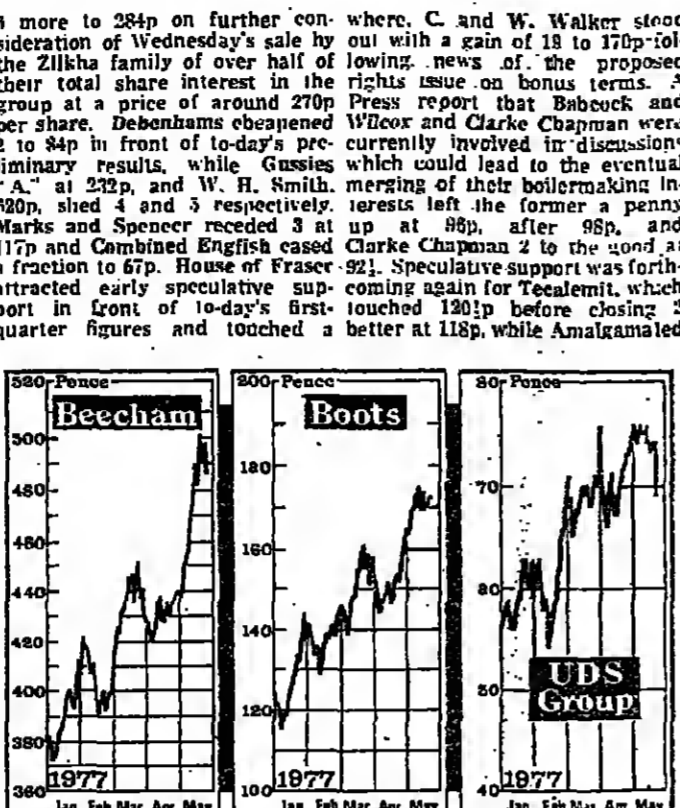
Account and publication details of Financial Times newspaper.

STOCK EXCHANGE REPORT

Equities and British Funds react from four-year highs Share index down 9.6 at 467.8—Beecham disappoint

Account Dealing Dates... First Declared Last Account... Beecham... Boots... UDS Group... The share index fell 9.6 points to 467.8...

Barclays firm... After a firm start, the big Inar... Beecham... Boots... UDS Group... The share index fell 9.6 points to 467.8...



Beecham react... Boots... UDS Group... Beecham's share price fell 12.4% to 486p... Boots rose 1.4% to 130p... UDS Group fell 1.4% to 44p...

Reassuring comment stimulated... Beecham... Boots... UDS Group... The share index fell 9.6 points to 467.8...

Oil speculation cools... Beecham... Boots... UDS Group... The share index fell 9.6 points to 467.8...

FINANCIAL TIMES STOCK INDICES table with columns for various indices and their values.

HIGHS AND LOWS table showing daily price ranges for various stocks.

balance at 23p... Beecham... Boots... UDS Group... The share index fell 9.6 points to 467.8...

ACTIVE STOCKS table listing various stocks and their performance.

NEW HIGHS AND LOWS FOR 1977 table listing new price records and lows.

ENTE FINANZIARIO INTERBANCARIO S.P.A. MEDIUM AND LONG TERM CREDIT INSTITUTE. Progress of balance sheet main items table with columns for 1972-1976.

RECENT ISSUES table listing various equity and fixed interest stocks.

RISES AND FALLS YESTERDAY table showing daily price changes for various securities.

FT-ACTUARIES SHARE INDICES table providing detailed share indices and fixed interest price indices.

Handwritten note: 100/100 1250

AUTHORISED UNIT TRUSTS

Table of authorised unit trusts including sections for Unit Tr. Mgrs. Ltd., Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., Henderson Administrations, and various other fund managers.

OFFSHORE AND OVERSEAS FUNDS

Table of offshore and overseas funds including sections for Arbutnot Securities (C.I.) Limited, Fidelity Mgt. & Res. (Eds.) Ltd., and various international investment funds.

BASE LENDING RATES

Table of base lending rates for various banks including Allied Irish Bank, Anglo-Irish Bank, and others.

FOOD PRICE MOVEMENTS

Table of food price movements for various commodities like flour, sugar, and oil, showing weekly and monthly changes.

INSURANCE, PROPERTY, BONDS

Large table of insurance, property, and bond offerings from various companies like Abber Life Assurance, Equity & Law Life Ass. Soc. Ltd., and others.

Delivery May 21-23

Notes and additional information regarding the fund offerings.

W. BERRY TEMPLETON LTD Property Consultants to Commerce and Industry

FT SHARE INFORMATION SERVICE

(Miscel.)

BRITISH FUNDS

Table of British Funds with columns for High, Low, Stock, Price, Div. Yield, and various fund names like Treasury Income, Overseas Income, etc.

CANADIANS

Table of Canadian Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Alcan, Inco, etc.

BUILDING INDUSTRY - Continued

Table of Building Industry Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Bovis, Bovis Lend Lease, etc.

DRAPERY AND STORES - Continued

Table of Drapery and Stores Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Debenhams, Next, etc.

ENGINEERING - Continued

Table of Engineering Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like BHP, British Steel, etc.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like NatWest, Halifax, etc.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like ICI, Shell, etc.

ELECTRICAL AND RADIO

Table of Electrical and Radio Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like GEC, Philips, etc.

INTERNATIONAL BANK

Table of International Bank Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Citibank, HSBC, etc.

Large table of various stocks including A.A. Bond, A.P. Ind., Alcan, etc., with columns for High, Low, Stock, Price, Div. Yield, and other financial metrics.

INTERNATIONAL BANK

Table of International Bank Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Citibank, HSBC, etc.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Heineken, Carlsberg, etc.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Rank, British Lion, etc.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like BHP, British Steel, etc.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Unilever, Nestle, etc.

FOREIGN BONDS & RAIS

Table of Foreign Bonds and Raiss with columns for High, Low, Stock, Price, Div. Yield, and company names like Shell, BP, etc.

BUILDING INDUSTRY - TIMBER AND ROADS

Table of Building Industry - Timber and Roads Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Bovis, Bovis Lend Lease, etc.

DRAPERY AND STORES

Table of Drapery and Stores Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Debenhams, Next, etc.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like BHP, British Steel, etc.

HOTELS AND CATERERS

Table of Hotels and Caterers Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Whitbread, TSB, etc.

AMERICANS

Table of American Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like IBM, General Electric, etc.

BUILDING INDUSTRY - Continued

Table of Building Industry Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Bovis, Bovis Lend Lease, etc.

DRAPERY AND STORES - Continued

Table of Drapery and Stores Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Debenhams, Next, etc.

ENGINEERING - Continued

Table of Engineering Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like BHP, British Steel, etc.

INTERNATIONAL BANK

Table of International Bank Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Citibank, HSBC, etc.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits Stocks with columns for High, Low, Stock, Price, Div. Yield, and company names like Heineken, Carlsberg, etc.

Conversion factor D.7000 (D.8580)

Handwritten note: 10/10 1/50

Handwritten note: Jpy 100 1.25

NOMURA The Nomura Securities Co., Ltd. LONDON OFFICE: Barclay Street, London Wall, London EC3 4BT. Phone: 011-63411, 6253

MINES-Continued CENTRAL AFRICAN Stock Price Div. Cr. Yld. %

AUSTRALIAN Stock Price Div. Cr. Yld. %

TINS Stock Price Div. Cr. Yld. %

COPPER Stock Price Div. Cr. Yld. %

MISCELLANEOUS Stock Price Div. Cr. Yld. %

NOTES Unless otherwise indicated, prices and set dividends are in pence and denominated in pence. Exchange rates are as at the date of publication.

TEAS India and Bangladesh Sri Lanka Africa

MINES CENTRAL RAND EASTERN RAND

FAR WEST RAND

REGIONAL MARKETS

FINANCE

DIAMOND AND PLATINUM

OPTIONS 3-month Call rates

TRUSTS-Continued Stock Price Div. Cr. Yld. %

SHIPPERS, REPAIRERS SHIPING

SOLES AND LEATHER

SOUTH AFRICANS

TEXTILES

PROPERTY Investment Trusts

TOBACCO

TRUSTS, FINANCE, LAND

FINANCE, Land, etc.

PROPERTY-Continued Stock Price Div. Cr. Yld. %

SHIPPERS, REPAIRERS SHIPING

SOLES AND LEATHER

SOUTH AFRICANS

TEXTILES

PROPERTY Investment Trusts

TOBACCO

TRUSTS, FINANCE, LAND

FINANCE, Land, etc.

MOTORS, AIRCRAFT TRADES Motors and Cycles

Commercial Vehicle

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

INDUSTRIALS-Continued Stock Price Div. Cr. Yld. %

INDUSTRIALS-Continued

INDUSTRIALS-Continued

INDUSTRIALS-Continued

INDUSTRIALS-Continued

INDUSTRIALS-Continued

INDUSTRIALS-Continued

INDUSTRIALS-Continued

INDUSTRIALS-Continued

INDUSTRIALS-Continued

INDUSTRIALS-Continued

INDUSTRIALS-Continued



OWEN OUTLINES U.K. VIEW ON NUCLEAR NON-PROLIFERATION

Reservations on Carter policy

BY DAVID FISLOCK, SCIENCE EDITOR

THE BRITISH Government, while committed to nuclear non-proliferation, is not willing at this stage to accept President Carter's recent proposals for tighter international control against the proliferation of nuclear explosives.

No attempt would be made to extract the uranium and plutonium by-product from spent nuclear fuel by re-processing.

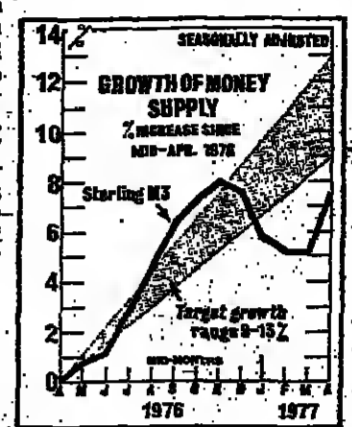
But answers to these problems would still leave important political and technical questions about the "throw-away" fuel cycle and whether it would contribute to anti-proliferation objectives as much as was claimed.

THE LEX COLUMN

Supergrowth over for Beecham

The 2.4 per cent rise in sterling M3 in the April banking month—making 7.5 per cent for the year—looks exceptional.

Index fell 9.6 to 467.8



is the strong rise in margins which in 1975 had been struggling at around 9 per cent at the pre-interest level, but in the second half of 1976 had climbed above 14 per cent.

Green Paper urges more control on local spending

BY STUART ALEXANDER

GREATER CONTROL of overall local government spending and changes to the way in which local authorities gather their income are proposed in a Green Paper on local government finance presented to the Commons yesterday by Mr. Peter Shore, Secretary for the Environment.

authority got in relation to its needs—will inevitably create tighter Whitehall control. It is this aspect, together with the proposed increase in direct grants for specific services and the implication that local councils are not to be trusted over how they spend their money, which creates the feeling that the proposals are suspiciously contradictory.

Amin will be kept guessing about ban on entry to U.K.

BY MARTIN DICKSON

THE GOVERNMENT is believed to have decided not to allow President Idi Amin of Uganda to enter Britain for next month's Commonwealth Conference, but does not intend to announce this.

in Uganda after last year's Israeli's rescue of the Entebbe hijack victims. Mr. Callaghan told the Commons the visit was being given careful consideration.

Money supply rises sharply as domestic credit expands

BY MICHAEL BLANDEN

THE MONEY supply rose sharply last month, showing the first significant increase since the monetary squeeze was imposed last autumn.

to the U.K. private sector and £7m. of bank sterling lending overseas. The previous squeeze, however, is reflected in the figures for the latest three months as a whole, which show that domestic credit actually contracted by £80m. over that period on a seasonally adjusted basis.

Mondale, Vorster meet in secret session

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

VICE-PRESIDENT MONDALE of the U.S. and Mr. John Vorster, the South African Prime Minister, concluded 8½ hours of talks today amid conditions of strict secrecy.

here that the central issue, the situation in South Africa, might have been broached only after discussion of Namibia and Rhodesia, and that it then proved even tougher than forecast.

Table with columns: Money stock M1 (Unadjusted, Adjusted, %), Money stock M3 (Sterling, %), Bank lending* (Unadjusted, Adjusted, %). Rows for years 1976 and 1977.

Continued from Page 1 Beaverbrook

close. The Standard would then be left with a monopoly in London which would enable it to move into substantial profit.

Cash to boot

THE Footwear, Leather and Furkin Industry Training Board has made a grant of £27,000 towards the new National Leathersellers' Centre being set up at Northampton to train people in the latest shoe technology.

Varley calls Leyland probe

It was difficult to do business in some parts of the world without resorting to practices which would not be accepted in Britain.

Varley calls Leyland probe

mine the company. Mr. Eric Heffer (Lab, Liverpool, Walto), a Left-winger, said: "This is a further example of the various organs of the Press in this country trying to take advantage of all sorts of claims, which are usually proved to be absolutely untrue, in order to attack public enterprise."

Weather

U.K. TO-DAY MOSTLY dry and sunny except in the North-West. London, Southern and North England, S.W. England, the Midlands, Channel Isles.



"I know it's a charity, but it never feels like one." When you are getting on in years and find that you are no longer cope, it is good to know that the Distressed Gentlefolk's Aid Association runs 13 rather special Residential and Nursing Homes for people like you.

Distressed Gentlefolk Aid Association logo and contact information: Vicarage Gate House, Vicarage Gate, Kensington, London W8 4AG.